

SECOND DIVISION

[G.R. No. 108921, April 12, 2000]

JOSEFINA VILLANUEVA-MIJARES, WALDETRUDES VILLANUEVA-NOLASCO, GODOFREDO VILLANUEVA, EDUARDO VILLANUEVA, GERMELINA VILLANUEVA-FULGENCIO, MILAGROS VILLANUEVA-ARQUISOLA, AND CONCEPCION MACAHILAS VDA. DE VILLANUEVA, PETITIONERS, VS. THE COURT OF APPEALS, PROCERFINA VILLANUEVA, PROSPERIDAD VILLANUEVA, RAMON VILLANUEVA, ROSA VILLANUEVA, VIRGINIA NEPOMUCENO, PAULA NEPOMUCENO, TARCELA NEPOMUCENO, MERCEDES VILLANUEVA, ADELAIDA VILLANUEVA, APARICION VILLANUEVA, JOSEFINA VILLANUEVA, BETTY VILLANUEVA, BOBBY VILLANUEVA, MERLINDA VILLANUEVA, MORBINA VILLANUEVA, FLORITA VILLANUEVA, DIONISIO VILLANUEVA, AND EDITA VILLANUEVA, RESPONDENTS.

D E C I S I O N

QUISUMBING, J.:

This petition for review seeks the reversal of the Decision^[1] of the respondent Court of Appeals promulgated on September 28, 1992, in CA G.R. CV No. 27427, as well as of the Resolution promulgated on February 4, 1993, which denied the petitioners' Motion for Reconsideration.

Petitioners Josefina Villanueva-Mjiares, Waldetrudes Villanueva-Nolasco, Godofredo Villanueva, Eduardo Villanueva, Germelina Villanueva-Fulgencio, and Milagros Villanueva-Arquisola are the legitimate children of the late Leon Villanueva. Petitioner Concepcion Macahilas vda. de Villanueva is his widow. Leon was one of eight (8) children of Felipe Villanueva, predecessor-in-interest of the parties in the present case.

Private respondents were the plaintiffs-appellants in CA G.R. No. 27427, entitled "*Procerfina Villanueva, et al., v. Josefina Villanueva-Nolasco, et al.*". They are related by blood to the petitioners as descendants of Felipe.

The pertinent facts of the case are not in dispute.

During his lifetime, Felipe, owned real property described as follows:

"A parcel of land, situated at Estancia, Kalibo, Capiz. Bounded on the N. by the Provincial Road to New Washington; on the S. by Nicanor Gonzales; on the E. by Nicanor Gonzales; and on the W. by Leon Barrientos and Mauricio Parojinog, containing an area of fifteen thousand three hundred thirty-six (15,336) square meters, more or less declared

in the name of Felipe Villanueva under Tax Declaration No. 3888 and assessed at Three Hundred Ten (P310.00) Pesos."^[2]

Felipe begot the following legitimate children: Simplicio, Benito, Leon, Nicolasa, Eustasio, Camila, Fausta, and Pedro.

Upon Felipe's death, ownership of the land was passed on to his children.

In 1952, Pedro, one of the children of Felipe got his share equivalent to one-sixth (1/6) of the property with an area of one thousand nine hundred five (1,905) square meters and had it declared under his name pursuant to Tax Declaration No. 8085.

The remaining undivided portion of the land is described as follows:

"A parcel of land situated at Estancia, Kalibo, Capiz, bounded on the N. by the National Road to New Washington; on the S. by Nicanor Gonzales; on the E. by Pedro Villanueva and on the W. by Leon Barrientos and Mauricio Parojinog, containing an area of eleven thousand nine hundred fifty-nine (11,959) square meters, more or less and declared under Tax Declaration No. 8086 and assessed at Three Hundred Thirty-Three Pesos and Forty Centavos (P333.40)."^[3]

This was held in trust by Leon for his co-heirs. During Leon's lifetime, his co-heirs made several seasonable and lawful demands upon him to subdivide and partition the property, but for one reason or another, no subdivision took place.

After the death of Leon in August 1972, private respondents discovered that the shares of four of the heirs of Felipe, namely, Simplicio, Nicolasa, Fausta and Maria Baltazar, spouse of Benito, was purchased by Leon as evidenced by a Deed of Sale executed on August 25, 1946 but registered only in 1971. It also came to light that Leon had, sometime in July 1970, executed a sale and partition of the property in favor of his own children, herein petitioners. By virtue of such Deed of Partition, private respondents had succeeded in obtaining Original Certificate of Title (OCT) No. C-256. On April 25, 1975, petitioners managed to secure separate and independent titles over their *pro-indiviso* shares in their respective names.

Private respondents then filed a case for partition with annulment of documents and/or reconveyance and damages with the Regional Trial Court of Kalibo, Aklan, docketed as Civil Case No. 2389. Private respondents contended that the sale in favor of Leon was fraudulently obtained through machinations and false pretenses. Thus, the subsequent sale of the lot by Leon to his children was null and void despite the OCT in his favor.

Petitioners, for their part, claimed that the sale by Simplicio, Fausta, Nicolasa, and Maria Baltazar was a valid sale; that private respondent Procerfina even signed as an instrumental witness to the Deed of Sale; that Maria Baltazar, widow of Benito, as administrator of her husband's estate, had the right to sell the undivided share of Benito; that the basis for the issuance of the OCT in Land Registration Case No. K-231 was the sale by his co-heirs to Leon; that the order of default issued in Land Registration Case No. K-231 was against the whole world; that prescription had set in since they had been in possession of the property in the concept of owners thereof since August 29, 1946, up to the present; and that private respondents were

estopped since no trust relationship existed between the litigants.

After trial, the Regional Trial Court of Kalibo rendered its decision in Civil Case No. 2389, declaring "the defendants the legal owners of the property in question in accordance with the individual titles issued to them."^[4]

The trial court also declared plaintiffs' action already barred by *res judicata*.

Dissatisfied, herein private respondents elevated the case to the Court of Appeals. Their appeal was docketed as CA-G.R. CV No. 27427.

On appeal, the private respondents conceded the right of Simplicio, Nicolasa, and Fausta to sell their respective shares but disputed the authority of Maria Baltazar to convey any portion of her late husband's estate, since the latter was his capital and did not form part of the conjugal property.^[5]

On September 28, 1992, respondent appellate court rendered its decision, the dispositive portion of which reads:

"WHEREFORE, the appealed judgement is REVERSED. Appellants Procerfina Villanueva, Prosperidad Villanueva, Ramon Villanueva and Rosa Villanueva are hereby adjudged rightful co-owners pro indiviso of an undivided one-sixth (1/6) portion of the property litigated upon (Lot 3789, Psc-36), as heirs of their late father, Benito Villanueva; and the appellees are hereby ordered to execute a registerable document conveying to the said appellants their one-sixth (1/6) portion of subject property.

"Conformably, the parties concerned are required to agree on a project of partition, for the segregation of the one-sixth (1/6) portion adjudicated to said appellants; otherwise, should they fail to do so within a reasonable time, any interested party may seek relief from the trial court a quo, which is hereby directed, in that eventuality, to cause the partition of the subject property in accordance with pertinent rules, and this pronouncement. Costs against appellee.

"SO ORDERED."^[6]

The Court of Appeals ruled that under the Old Civil Code and applicable jurisprudence, Maria Baltazar had no authority to sell the portion of her late husband's share inherited by her then minor children since she had not been appointed their guardian. Respondent court likewise declared that as far as private respondents Procerfina, Prosperidad, Ramon and Rosa, were concerned, the Deed of Sale of August 25, 1946 was "unenforceable."^[7]

Respondent appellate court also ruled that the prescription period had not run in favor of Leon since private respondents had always known that Leon was the administrator of the estate. It was only in 1975 when their suspicion were aroused and they inquired about the status of the land.^[8]

Dissatisfied with the ruling of the respondent appellate court, herein petitioners now come before this Court assigning the following errors:

I

IN NOT HOLDING THAT THE PRIVATE RESPONDENTS ARE NOT BARRED BY LACHES, ESTOPPEL IN PAIS, AND RES JUDICATA, THE RESPONDENT, THE COURT OF APPEALS, HAS DECIDED A QUESTION OF SUBSTANCE IN A WAY PROBABLY NOT IN ACCORD WITH LAW OR WITH THE APPLICABLE DECISIONS OF THIS HONORABLE COURT, AMONG THEM, TIJAM V. SIBONGHANOY, NO. L-21450, APRIL 15, 1968, 23 SCRA 29.

II

IN HOLDING THAT THE DEED OF SALE DATED AUGUST 25, 1946, EXHIBIT "I", ALSO EXHIBIT "C", IS UNENFORCEABLE AGAINST THE PRIVATE RESPONDENTS FOR BEING AN UNAUTHORIZED CONTRACT, THE RESPONDENT, THE COURT OF APPEALS, HAS DECIDED A QUESTION OF SUBSTANCE IN A WAY PROBABLY NOT IN ACCORD WITH LAW OR WITH THE APPLICABLE DECISIONS OF THIS HONORABLE COURT, THE WEIGHT OF THE EVIDENCE BEING THAT MARIA BALTAZAR, THE PRIVATE RESPONDENTS' MOTHER, HAD THE AUTHORITY TO CONVEY THE ONE-SIXTHS (1/6) SHARE OF THE LATE BENITO VILLANUEVA TO THE PETITIONERS, AND/OR THAT HER ACT WAS SUBSEQUENTLY RATIFIED BY THE PRIVATE RESPONDENTS.

III.

IN GRANTING THE APPEAL AND CONSEQUENTLY, IN REVERSING THE COURT A *QUO*, THE RESPONDENT, THE COURT OF APPEALS, HAS DECIDED A QUESTION OF SUBSTANCE IN A WAY PROBABLY NOT IN ACCORD WITH THE LAW OR APPLICABLE DECISIONS OF THIS HONORABLE COURT.^[9]

The grounds relied upon by the petitioners may be subsumed in two issues, to wit:

(1) Whether or not the appellate court erred in failing to declare action by the private respondents to recover the property in question barred by laches, estoppel, prescription, and *res judicata*; and

(2) Whether or not the appellate court erred in declaring the Deed of Sale of August 25, 1946 unenforceable against the private respondents for being an unauthorized contract.

Petitioners citing *Tijam v. Sibonghanoy*, 23 SCRA 29 (1968), contend that the action of the private respondents was already barred by laches.^[10] They argue that private respondents filed their action more than twenty-nine (29) years too late, counted from the date Maria Baltazar signed the questioned Deed of Sale of August 26, 1948.

Laches is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert it has either abandoned