615 Phil. 489

THIRD DIVISION

[G.R. No. 167995, September 11, 2009]

JULITA V. IMUAN, RODOLFO VELASQUEZ, ARTURO VELASQUEZ, ARCADIO VELASQUEZ, BETTY VELASQUEZ, ROSA V. PETUYA, FELICIDAD VELASQUEZ, RAYMUNDO IMUAN, GERARDO IMUAN, JR., AND ANDONG VELASQUEZ, PETITIONERS, VS. JUANITO CERENO, FEBELINDA G. CERENO, GEMMA C. GABARDA, LEDESMA G. CERENO, BLECERIA C. SULA AND SALLY G. CERENO, RESPONDENTS

DECISION

PERALTA, J.:

Before us is a petition fo dated August 24, 2004 of the Court of Appeals (CA) in CA-G.R. CV No. 69446, which reversed the Decision of the Regional Trial Court (RTC), Branch 41, Dagupan City, in Civil Case No. 99-02910-D. Also assailed is the CA Resolution[2] dated April 29, 2005 denying petitioners' motion for reconsideration.

The facts are as follows:

During his lifetime, Pablo de Guzman (Pablo) contracted two marriages. His first marriage was with Teodora Soriano (Teodora), with whom he had three children, namely, Alfredo de Guzman (Alfredo), Cristita G. Velasquez (Cristita), and Inday G. Soriano (Inday). His second marriage was in 1919 with Juana Velasquez (Juana), with whom he also had three children, namely: Nena De Guzman (Nena), Teodora de Guzman (Teodora), and Soledad G. Cereno (Soledad). All these children are now dead.

Petitioners are Pablo's grandchildren by his first marriage, while respondent Juanito Cereno (Juanito) is Soledad's husband and the other respondents are their children.

On July 15, 1936, Pablo died intestate leaving two parcels of land, to wit: (1) a parcel of coconut land located at Salaan Mangaldan, Pangasinan, containing an area of nine hundred eighty-six (986) square meters, more or less, declared under Tax Declaration No. 8032; and (2) a parcel of cornland located at (Inlambo) Palua, Mangaldan, Pangasinan, containing an area of three thousand three hundred thirty-four (3,334) square meters, more or less, declared under Tax Declaration No. 5155.

After Pablo's death in 1936, his second wife Juana and their children continued to be in possession of the parcel of land located at Salaan, Mangaldan, Pangasinan (the disputed property), where they lived since they were married in 1919.

On January 24, 1970, Juana executed a Deed of Absolute Sale[3] in favor of respondents-spouses, Soledad, Juana and Pablo's daughter, and her husband Juanito conveying the subject property. The deed was duly registered with

the Register of Deeds of Lingayen, Pangasinan.

On January 26, 1970, a Joint Affidavit[4] was executed by Alfredo de Guzman and Teofilo Cendana attesting to the fact that Pablo ceded the property in favor of Juana on the occasion of their marriage, but the document was lost.

Subsequently, Tax Declaration No. 23803[5] was issued in the names of respondents-spouses who religiously paid the taxes due on the property. Since then respondents-spouses enjoyed exclusive, open and uninterrupted possession of the property. Later, the disputed property which originally consisted of one whole lot was traversed by a *barangay* road dividing it into two (2) lots, namely, Lot 3533, with an area of 690 square meters covered by Tax Declaration No. 21268[6]; and Lot 3559, with an area of 560 square meters covered by Tax declaration No. 21269.[7] Respondents-spouses Cereno built their house on Lot 3559 and had planted fruit-bearing trees on Lot 3533. Meanwhile, the parcel of cornland in Palua, Mangaldan, Pangasinan has never been in possession of any of the parties since it eroded and was submerged under water, eventually forming part of the riverbed.

Sometime in January 1999, petitioners entered and took possession of Lot 3533 by building a small nipa hut thereon. Respondents then filed before the Municipal Trial Court (MTC) of Mangaldan, Pangasinan an ejectment case against petitioners. In an Order[8] dated December 9, 1999, the MTC dismissed the case as both parties prayed for its dismissal considering that petitioners had already left Lot 3533 immediately after the filing of the complaint.

On April 5, 1999, petitioners filed with the RTC of Dagupan City a Complaint for annulment of document, reconveyance and damages against respondents alleging that: (1) the estate of their grandfather Pablo has not yet been settled or partitioned among his heirs nor had Pablo made disposition of his properties during his lifetime; (2) it was only through their tolerance that Juana and his children constructed their house on Lot 3559; (3) the sale of the disputed property made by Juana to respondents-spouses Cereno and the issuance of tax declarations in the latter's names are null and void. Petitioners prayed for the annulment of the deed of sale, cancellation of Tax Declaration Nos. 21268 and 21269, the reconveyance of the property to them and damages.

In their Answer, respondents claimed that after the death of Pablo's first wife, Pablo partitioned his property among his children and that spouses Nicomedes and Cristita Velasquez acquired most of the properties as they were more financially capable; that at the time Pablo married Juana, the properties he had were his exclusive share in the partition; that of the two parcels of land Pablo had at that time, he donated the subject property to Juana in a donation *propter nuptias* when they married; that the deed of donation was lost during the Japanese occupation and such loss was evidenced by the Joint Affidavit executed by Alfredo de Guzman and Teofilo Cendana attesting to such donation; that Juana could validly convey the property to the Spouses Cereno at the time of the sale because she was the owner; and that they have been in public and uninterrupted possession of the disputed lot since its acquisition and have been paying the realty taxes due thereon. As affirmative defense, respondents contended that petitioners' rights over the property were already barred by the statute of limitations.

After trial, the RTC rendered its Decision[9] dated November 10, 2000, the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants:
>
> > (a) Declaring as null and void the Deed of Absolute Sale; Tax Declaration Nos. 21268 for Lot 3533 & 21269 for Lot 3559 in the names of Juanito Cereno and Soledad de Guzman;
> >
> > (b) Ordering the defendants (1) to reconvey the property in question to the plaintiffs and to peacefully surrender the possession of the premises to the plaintiffs; and (2) to pay plaintiffs litigation expenses in the amount of P10,000.00.
>
> SO ORDERED.[10]

The RTC found that Juana and her children of the second nuptial built their house on the disputed property by tolerance of Pablos' children of the first marriage; that Juana alone sold the property to respondents Spouses Cereno and such sale was not valid because she was not the owner of the property at the time she sold the same; that the estate of Pablo has not been settled among the heirs since the property was still in the name of Pablo at the time Juana sold the same; that respondents Spouses Cereno's claim that the property was donated to Juana by Pablo by way of donation *propter nuptias* was not supported by evidence; that Pablo could not have donated the property to Juana because Pablo's children were the legal heirs of his first wife, and have rights and interests over the property. The RTC found the Joint Affidavit dated January 26, 1970 executed by Alfredo, Pablo's son by first marriage, and Teofilo Cendana, a former Chief of Police of Mangaldan, Pangasinan, attesting that the donation *propter nuptias* executed by Pablo in favor of Juana was lost during the Japanese occupation was inconsequential, since it cannot substitute for the donation which validity was highly questionable; that petitioners were able to prove that the property was the conjugal property of Pablo and his first wife which has not been divided between Pablo and his children of the first nuptial.

On appeal, the CA rendered its assailed Decision, the dispositive portion of which reads as follows:

> WHEREFORE, premises considered, we hereby GRANT the appeal. The assailed decision dated November 10, 2000, of the Regional Trial Court (RTC), Branch 41, Dagupan City, in Civil Case No. 99-02910-D is consequently REVERSED and SET ASIDE. Costs against the plaintiffs-appellees.
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> SO ORDERED.[11]

While the CA agreed with the findings of the RTC that there was no evidence that Pablo undertook a partition of the properties of his first marriage before he

contracted his second marriage and that the Joint Affidavit dated January 26, 1970 could not be considered as conclusive proof of the transfer of the property by Pablo to Juana, it was not a sufficient basis for Juana to validly transfer the property to respondent Spouses Cereno, however, the CA gave probative value to the joint affidavit as it was executed long before the present controversy arose. The CA found that the joint affidavit was executed by Alfredo, one of Pablo's children by his first marriage who was necessarily affected by the claimed donation *propter nuptias* and who ought to know the facts attested to; that the affidavit was evidence of the basis of Juana's own good faith belief that the property was hers to dispose of when she sold it to respondents Spouses Cereno; that the same affidavit can also be the basis of respondents Spouses Cereno's good faith belief that Juana, who had undisputably been in possession of the disputed property at the time of the sale, was the owner and could transfer the property to them by sale.

The CA also gave probative value to the deed of sale executed by Juana in favor of respondents Spouses Cereno as it is still an evidence of the fact of transaction between Juana and respondents Spouses Cereno for the

sale of the disputed property. The CA found that the deed of sale and the joint affidavit assumed great importance on the issue of prescription.

The CA found that Juana possessed the property in the concept of an owner, which is a sufficient basis for the belief that Juana was the owner of the property she conveyed by sale and respondents Spouses Cereno had the good faith that acquisition by prescription requires when they became the purchasers in the contract of sale with her . The CA further stated that a sale, coupled with the delivery of the property sold, is one of the recognized modes of acquiring ownership of real property and that respondents Spouses Cereno immediately took possession of the property which showed that respondent Spouses Cereno have just title to the property.

The CA further found that respondents Spouses Cereno are in peaceful possession of the property for 29 years and, thus, have satisfied the ten-year period of open, public and adverse possession in the concept of an owner that the law on prescription requires. The CA added that petitioners are now barred by laches from claiming ownership of the disputed property as they have been negligent in asserting their rights.

Petitioners' motion for reconsideration was denied in a Resolution dated April 29, 2005.

Petitioners raise the following issues for our consideration:

> WHETHER THE COURT OF APPEALS ERRED IN REVERSING THE DECISION OF THE REGIONAL TRIAL COURT, BRANCH 41, DAGUPAN CITY.
>
> WHETHER THE COURT OF APPEALS ERRED IN DISREGARDING THE NATURE OF THE PROPERTY IN ISSUE WHEN IT RENDERED ITS DECISION.

WHETHER LACHES/PRESCRIPTION BARRED HEREIN PETITIONERS FROM CLAIMING THEIR RIGHTFUL SHARE IN THE PROPERTY IN ISSUE.[12]

Petitioners contend that since the CA and the RTC found that there was no partition of the property and no valid donation *propter nuptias* was made by Pablo to Juana, the rule on co-ownership among Pablo's heirs should govern the property; that when Juana sold the property to respondents Cerenos, the rights of petitioners as co-owners should not have been affected; that the CA's finding that the joint affidavit attesting to the donation *propter nuptias* can be the basis of a belief in good faith that Juana was the owner of the disputed property is erroneous, since Juana had knowledge from the time she got married to Pablo that the property was acquired during the latter's first marriage; that respondents Spouses Cereno could not be considered in good faith since Soledad is the daughter of Juana with her marriage to Pablo and could not be considered a third party to the dispute without knowledge of the nature of the property; that being co-owners, neither prescription nor laches can be used against them to divest them of their property rights.

In their Comment, respondents argue that Juana in her own right had acquired the property by prescription; that the CA correctly considered respondents' 29 years of actual and peaceful possession of the property aside from their purchase of the property from Juana in finding them as the true owners.

Petitioners and respondents submitted their respective memoranda.

The petition has no merit.

We agree with the CA that respondents have acquired the disputed property by acquisitive prescription.

Prescription is another mode of acquiring ownership and other real rights over immovable property.[13] It is concerned with lapse of time in the manner and under conditions laid down by law, namely, that the possession should be in the concept of an owner, public, peaceful, uninterrupted and adverse.[14] Possession is open when it is patent, visible, apparent, notorious and not clandestine.[15] It is continuous when uninterrupted, unbroken and not intermittent or occasional;[16] exclusive when the adverse possessor can show exclusive dominion over the land and an appropriation of it to his own use and benefit; and notorious when it is so conspicuous that it is generally known and talked of by the public or the people in the neighborhood.[17] The party who asserts ownership by adverse possession must prove the presence of the essential elements of acquisitive prescription.[18]

Acquisitive prescription of real rights may be ordinary or extraordinary.[19] Ordinary acquisitive prescription requires possession in good faith and with just title for ten years.[20] In extraordinary prescription, ownership and other real rights over immovable property are acquired through uninterrupted adverse possession for thirty years without need of title or of good faith.[21]

The good faith of the possessor consists in the reasonable belief that the person from whom he received the thing was the owner thereof, and could transmit his