

SECOND DIVISION

[G.R. No. 106060, June 21, 1999]

EMILIE T. SUMBAD AND BEATRICE B. TAIT, PETITIONERS, VS. THE COURT OF APPEALS, EDUARD OKOREN, OLIVIA T. AKOKING, EVELYN W. SACLANGEN, ASSISTED BY HER HUSBAND JULIO SACLANGEN, MARY ATIWAG ASSISTED BY HER HUSBAND ARTHUR ATIWAG, JAIME T. FRONDA, BARBARA TALLONGEN, JULIA PIYES, ASSISTED BY HER HUSBAND EDWARD PIYES, GLEN PAQUITO AND FELICITAS ALINAO, RESPONDENTS.

D E C I S I O N

MENDOZA J.:

This is a petition for review of the decision^[1] of the Court of Appeals, Fifth Division, dated May 28, 1992, in CA-G.R. CV No. 32711, affirming, with modification, the dismissal by the Regional Trial Court of Bontoc, Mountain Province, Branch 36, of a complaint for quieting of title, annulment of sale, and recovery of possession filed by petitioners against private respondents.

The facts are as follows:

After the death of his wife, Agata B. Tait, in 1936, George K. Tait, Sr. lived in common-law relationship with Maria F. Tait to whom on April 2, 1974 he donated a certain parcel of unregistered land in Sitio Sum-at, Bontoc, more particularly described as follows:

One (1) parcel of unregistered agricultural land situated in sitio Sumat, Bontoc, Mt. Province, bounded on the North by Sumat Creek and the rice field of Inginga Limayog, East by the Hospital Reservation of Bontoc and the lots of Agustin Ututan and Inginga, South by a Foot Trail and West by the Roman Catholic Mission, Pakeopan and the rice fields of Narding and Pappi, previously declared under Tax Dec. No. 6000 of Bontoc, Mt. Province;^[2]

George K. Tait, Sr. himself passed away on December 24, 1977. From 1982 to 1983, Maria F. Tait sold lots included within the Sum-at property in favor of private respondents Eduard Okoren, Gregorio Acoking, Evelyn Saclangan, Mary Atiwag, Jaime T. Fronda, Barbara Tallongen, Julia Piyas, Glen Paquito, and Felicitas Alinao. Private respondents purchased the lots on the strength of a Tax Declaration over the Sum-at property showing the seller, Maria F. Tait, to be the owner of the property in question and thereafter planted different kinds of fruit trees and plants on the lots purchased by them.

On July 24, 1989, petitioners Emilie T. Sumbad and Beatrice B. Tait brought an action for quieting of title, nullification of deeds of sale, and recovery of possession

with damages against private respondents. They alleged that they are the children and compulsory heirs of the spouses George K. Tait, Sr. and Agata B. Tait of Bondoc, Mountain Province; that said spouses died on December 24, 1977 and April 30, 1936, respectively; that said spouses owned real property in Otucan, Bauko, Mountain Province; and that after the death of their mother, their father George K. Tait, Sr. sold the Otucan property and used the proceeds thereof to purchase a residential lot in Sum-at, Bontoc, Mountain Province.

Petitioners further alleged that from 1982 to 1983, Maria F. Tait, without their knowledge and consent, sold lots included within the Sum-at property to private respondents; that prior to the sales transactions, private respondents were warned that the Sum-at property did not belong to Maria F. Tait but to the heirs of George K. Tait, Sr.; that this notwithstanding, private respondents proceeded to purchase the lots in question from Maria F. Tait; that Maria F. Tait had no right to sell the Sum-at property; that the deeds of sale are null and void and did not transfer title to private respondents; that petitioners discovered the transactions only in 1988 but, as soon as they learned of the same, they lost no time in communicating with private respondents; and that private respondents refused petitioners' request for a meeting, leaving the latter no other alternative but to file the case in court.

Private respondents moved to dismiss the complaint, but their motion was denied by the trial court in its Order, dated September 26, 1989.^[3] They then filed their answer in which they denied they had been informed of petitioners' claim of ownership of the lots. They also denied that petitioners learned of the sales to them only in 1988. They alleged that the Sum-at property, covered by Tax Declaration No. 399, did not belong to the conjugal partnership of George K. Tait, Sr. and Agata B. Tait for the reason that the latter died more than thirty (30) years before the issuance of Tax Declaration No. 399 in 1973; that the late Maria F. Tait, second wife of George K. Tait, Sr., did not need the consent of petitioners to be able to sell the Sum-at property to private respondents; that private respondents were purchasers in good faith and for value; that the action was barred by laches; that they were in possession of the lots and had introduced improvements thereon; and that they had separate tax declarations covering their respective lots. As a compulsory counterclaim, private respondents prayed that petitioners be ordered to pay P10,000.00 as moral damages, P2,000 as attorney's fees to each private respondent, the appearance fees, and costs.

On November 21, 1989, the trial court issued a pre-trial order stating the parties' stipulation of facts, as well as the factual and legal issues, as follows:

B. Stipulations or Admissions of the Parties:

1. Plaintiffs admit the following:

- a. That Agata Banagui Tait died on April 30, 1936;
- b. That the property in issue was bought by George Tait after the death of Agata Banagui Tait;
- c. That a deed of donation was executed by George Tait in favor of Maria with the land in dispute as the subject matter

thereof;

d. That deeds of sale of the property in question were executed in favor of the defendants by Maria Tait in 1984;

e. That Maria Tait died in 1988.

2.

C. Issues Involved:

1. Factual:

a. Whether or not George Tait and Agata Banagui Tait owned and sold a lot at Otucan, Bauko, Mt. Province and the proceeds thereof used in buying the property in dispute;

b. Whether or not Maria Tait sold the lot in issue to the defendants without the knowledge of the plaintiffs;

c. Whether or not defendants before buying the land were forewarned of its controversial status;

d. Whether or not plaintiffs only recently discovered the sale made by Maria Tait to the defendants.

1. Legal:

a. Whether or not plaintiffs are the compulsory heirs of the deceased George Tait and Agata Banagui Tait;

b. Whether or not the property covered by TD 399 and the subject hereof was owned by George Tait and Agata Banaga Tait;

c. Whether or not the deed of donation executed by George Tait in favor of Maria Tait is valid and effective;

d. Whether or not the sale made by Maria Tait to the defendants is valid and effective;

e. Whether or not defendants are buyers in good faith;

f. Whether or not laches barred the claim of the plaintiffs.^[4]

Realizing that the pre-trial order included their admission that a deed of donation was executed by George K. Tait, Sr. in favor of Maria F. Tait of the Sum-at property, petitioners subsequently moved for the inclusion as one of the factual issues the alleged forgery of the deed of donation. The Court did not act on petitioners' motion. However, petitioners were allowed to present evidence on the alleged forgery without objection by the private respondents.

On April 3, 1990, the trial court, on motion of petitioners, authorized the clerk of court of the Municipal Trial Court in Cities, Baguio City to take the deposition of one

of petitioners' witnesses, Shirley Eillinger.

During the trial, petitioners presented the following as witnesses: Beatrice B. Tait, Dalino Pio, Rosita Aclipen, and Atty. Angela D. Papa.

Petitioner **Beatrice B. Tait**, a 60-year-old missionary nun and resident of Capangan, Benguet, testified that she and co-plaintiff Emilie T. Sumbad are sisters; that their parents are George K. Tait, Sr. and Agata B. Sumbad; that the late Maria F. Tait was their stepmother; that Maria F. Tait became their stepmother some time in 1941; that her parents had a property in Sum-at but it was sold; that her parents had a property in Otucan; and that she did not know what happened to the said property although she thought that her parents sold it in order to purchase the Sum-at property.^[5]

On cross-examination, petitioner Beatrice Tait testified that her mother, Agata B. Tait, died in 1936; that she lived with her parents in Otucan from 1940 to 1941; and that the house at Sum-at was occupied by her grandmother (her stepmother's mother).^[6]

Dalino Pio, a 60 year-old farmer and resident of Payag-eo, testified that Agata B. Tait was her sister and George K. Tait, Sr. was the latter's husband; that George K. Tait, Sr. and Agata B. Tait lived in Otucan; that Agata B. Tait inherited the Otucan property from their father; that George K. Tait moved to Bontoc at a place near the market; and that the spouses sold the Otucan property and afterwards purchased the Sum-at property.^[7]

On cross-examination, Dalino Pio said that at the time that George K. Tait, Sr. sold the Otucan property, Agata B. Tait was already dead; that she does not know Maria F. Tait; that she did not personally see the Sum-at property; and that her sole basis for saying that George K. Tait, Sr. had used the proceeds of the sale of the Otucan property to purchase the property at Sum-at was what George K. Tait related to her.^[8]

Lanoy Takayeng, a farmer, testified that she knew the late George K. Tait, Sr.; that she also knew someone named Fani-is; that George K. Tait, Sr. gave money to Fani-is for the purchase of the Sum-at property; that she does not know the exact amount given by George K. Tait, Sr. to Fani-is; that also present during that meeting were three (3) other persons named Samoki, Amok, and Aclipen; and that George K. Tait, Sr. afterwards planted coffee and orange trees on the Sum-at property and built a house thereon.^[9]

On cross-examination, Lanoy Takayeng testified that George K. Tait, Sr. was her uncle; that when George K. Tait, Sr. acquired the Sum-at property, he was already married to Maria F. Tait; and that the money used to purchase the Sum-at property came from the proceeds of the sale of the house at Bauko.^[10] She testified that George K. Tait, Sr. was an educated man and a former member of Congress.^[11]

Rosita Aclipen, a 48-year-old housewife and resident of Bontoc, testified that she knew the private respondents; that she sent a letter to private respondents on May 30, 1989; that she was instructed by petitioners to send the letter to private

respondents; and that the letter was prepared and signed by petitioners' lawyer.^[12]

Atty. Angela D. Papa testified that she had been the register of deeds of Bontoc since February 16, 1987; that as such, she was in charge of keeping records of all documents relating to the registration of real property, instruments, and mortgages; that she did not recall receiving a letter from Emilie T. Sumbad; and that she issued a certification, marked as Exhibit F, to the effect that no deeds of sale between Maria F. Tait and Acoking, Arthur Atiwag, Blanza, Glenn Paquito, Jaime Fronda, and Lolita Tolentino were registered in her office.^[13]

For their documentary evidence, petitioners presented tax declarations covering the Sum-at property in the name of George K. Tait, Sr.; a certification showing payment of real estate taxes made by George K. Tait, Sr. on the property; official receipts; a certification by the register of deeds of Bontoc that no deed of sale covering the Sum-at property was registered in her office; a copy of the deed of donation, dated April 2, 1974; a letter, dated May 30, 1989, addressed to private respondents; and the transcripts of the deposition of Shirley Eillenger.^[14]

In her deposition, Shirley Eillenger stated that she knew Beatrice B. Tait and Emilie T. Sumbad, daughters of the late George K. Tait, Sr.; that she personally knew George K. Tait, Sr.; that she also knew a person named Raquel Tait who had been her boardmate at the Perpetual Help Dormitory in Baguio City when the witness was in the third year of her college education; that Raquel Tait was George K. Tait, Sr.'s ward; that she saw a Deed of Donation regarding the Sum-at property and other documents containing the signature of George K. Tait, Sr.; and that she was able to read the contents of the Deed of Donation. She identified Exhibit I as a carbon copy of the document she referred to. She further testified that in 1979 or 1980 she saw Raquel type the Deed of Donation at the Perpetual Help Dormitory; that George K. Tait, Sr. was already dead at that time, having died in 1976 when the witness was a third year high school student; that she saw Raquel Tait forge the signature of George K. Tait, Sr. on a piece of paper; that Raquel herself at first tried to copy the signature of George K. Tait, Sr. on the paper then asked other male boarders to copy the signature of George K. Tait, Sr.; that she told Raquel Tait that it was wrong to forge the signature of any person but Raquel Tait ignored her and told her to keep quiet; that Raquel Tait personally signed the Deed of Donation; that Raquel Tait also tried to forge the signature of Maria Tait; that she did not see Raquel Tait put Maria Tait's signature on the document but only saw Raquel Tait forge Maria Tait's signature on a piece of paper; and that the following day, Raquel Tait went to Bontoc bringing with her the Deed of Donation.^[15]

On cross-examination, this witness stated that it took Raquel about 20 to 30 minutes to type the Deed of Donation; that Raquel Tait had a form from which she copied the Deed of Donation; that Raquel Tait did not refer to a tax declaration in preparing the Deed of Donation; and that it took the male boarders the entire morning, from 8 o'clock until 11 o'clock, to copy the signature of George K. Tait, Sr.^[16]

On the other hand, private respondents presented the following witnesses: Felipa Piyas, Julio Saclangen, Glenn Paquito, and Edward Okoren.

Felipa Piyas, a 61-year old businesswoman and resident of Loc-ong, Bontoc,