

## THIRD DIVISION

[ G.R. No. 118784, September 02, 1999 ]

### HEIRS OF CHRISTINA AYUSTE, PETITIONER, VS. COURT OF APPEALS AND VIENA MALABONGA, RESPONDENTS.

#### DECISION

##### GONZAGA-REYES, J.:

Before us is a petition for certiorari under Rule 45, asking this Court to review the decision of the Court of Appeals dated January 23, 1995 in CA-G.R. CV No. 38232, [1] which overturned the decision of the Regional Trial Court of Lucena City in Civil Case No. 90-33.

At the outset, we note that Christina Ayuste, the plaintiff in the lower court and the original petitioner herein, died on November 21, 1995.[2] In his Comment dated January 14, 1998 to private respondent's Manifestation informing the Court of Christina Ayuste's death, petitioner's counsel re-affirmed such fact of death and informed the Court of the names of Christina Ayuste's legal representatives.[3] The claim not having been extinguished by the death of Christina Ayuste, we ordered the substitution of her heirs Marlon Ayuste and Arlaine Ayuste-Yu for Christina Ayuste in our Resolution dated August 11, 1999.

Christina Ayuste married Rafael Ayuste on September 24, 1961. Although the couple resided in Manila, they operated a machine shop in Barangay Iyam, Lucena City, which was managed by Rafael Ayuste. In order to serve as a temporary residence for Rafael Ayuste while in Lucena, the couple purchased on August 26, 1982 a parcel of land with an area of 180 square meters on which a residential house was built situated at Yale Street, University Village, Barrio Ibabang Dupay, Lucena City from spouses Pedro and Aida David. A deed of sale[4] was executed and signed by the parties and filed with the Register of Deeds of Lucena City. On October 23, 1983, the Register of Deeds of Lucena City issued Transfer Certificate of Title No. T-42972 in the name of "RAFAEL T. AYUSTE, married to Christina Ayuste." [5]

On February 27, 1987, a deed of absolute sale[6] was executed by Rafael Ayuste in favor of private respondent whereby the former sold the abovementioned parcel of land to the latter for P40,000, which amount Rafael Ayuste acknowledge having received in the deed. On page 2 of this deed appears the signature of Christina Ayuste below the phrase "With my conformity." The deed of sale was registered with the Register of deeds of Lucena City on March 5, 1987 and Transfer Certificate of Title No. T-50046 was issued in the name of private respondent.[7]

After Rafael Ayuste's death on October 13, 1989, Christina Ayuste discovered, in the course of an inventory of their properties, that the title to the land in Lucena was missing. She searched for it in the office of her husband in Lucena City and it was

then that she learned from her employees about the sale of the house and lot by her husband to private respondent.

On March 2, 1990, Christina Ayuste filed a complaint with the Regional Trial Court of Lucena City for the annulment of the sale, cancellation of the title issued in the name of private respondent and for the payment of moral, exemplary and actual damages. In her complaint Christina Ayuste alleges that her signature on the deed of sale was forged and that her husband Rafael Ayuste sold the property without her knowledge and consent.

The Regional Trial Court rendered its Decision on June 20, 1991, the dispositive portion of which provides as follows-

WHEREFORE, judgment is hereby rendered as follows:

- (1) Declaring null and void the Deed of Absolute Sale of House and Lot (Exhibit "C") executed by defendant and plaintiff's husband, the deceased Rafael Ayuste, on February 27, 1987;
- (2) Ordering defendant Viena Malabonga to return to plaintiff Christina Ayuste the possession of the house and lot covered by Transfer Certificate of Title No. T-50045, now in the name of defendant Viena Malabonga, together with the improvement thereon;
- (3) Directing the Register of Deeds of Lucena City to cancel Transfer Certificate of Title No. T-50046 and to issue in the name of plaintiff and her children by the late Rafael Ayuste new Transfer Certificate of Title in lieu thereof, subject to all/any liens and encumbrances annotated on the memorandum of the title to be cancelled;
- (4) Ordering plaintiff Christina Ayuste to pay the defendant Vienna Malabonga the sum of P258,200.00 for the improvements introduced on the lot and house as well as for maintenance of the premises; and
- (5) Ordering defendant to pay plaintiff the amount of rents received from the premises starting March, 1990 until such time that she finally turns-over (sic) the possession of the house and lot to plaintiff, at the rate of P2,700.00 per month.

With costs against defendant.<sup>[8]</sup>

Both parties appealed the trial court's decision. On January 23, 1995, the Court of Appeals reversed the trial court's ruling by holding that Christina Ayuste's right to bring an action for the annulment of the sale is barred by laches because of her failure to file it during the existence of the marriage in accordance with article 173 of the Civil Code. Also, it found private respondent to be entitled to the protection of a buyer in good faith and for value. The pertinent portion of the public respondent's decision provides-

Record shows that plaintiff-appellant wife (sic) instituted on March 2, 1990 her action for annulment of the sale executed by her husband on February 27, 1987 – long after said vendor-husband died in 1989. It is thus clear that the action for annulment of the sale was not instituted “during the marriage” as required by Article 173, the very provision of law which grants the wife the privilege/right to have the sale executed by her husband annulled, in derogation of the suppose (sic) vested right of the buyer. The two periods provided for in said Article 173 – “during the marriage” and “within 10 years” should concur.

We find no merit in plaintiff-appellant’s claim that she discovered the sale, only after her husband’s death, when she made an inventory and found out that the pertinent titles to the land subject of the sale were missing. It is settled in this jurisdiction that registration with the Register of Deeds is notice to the whole world. The questioned deed of sale has long been registered with the Register of Deeds of Lucena City – on March 5, 1987- and in fact the said property was registered in the name of defendant-appellant under Transfer Certificate of Title No. T-50046. Said TCT in the name of defendant-appellant is now indefeasible.

The peculiar circumstances that militates in favor of defendant-appellant buyer are as follows: The questioned deed of sale was not actually without the wife’s signature signifying marital consent, so to speak. Evidently, defendant-appellant was led to believe by the husband-vendor that plaintiff-appellant gave her marital consent to the sale, as said husband presented a deed of sale supposedly pre-signed by his wife, plaintiff-appellant. Defendant-appellant is therefore undoubtedly a buyer in good faith and for value, with vested rights equally entitled to the protection of the law. The questioned deed of sale was duly registered In the name of defendant-appellant who was issued a Transfer Certificate of Title.

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Unlike the statute of limitations, laches is not a mere question of time but is principally a question of the inequity or unfairness of permitting a stale right to be enforced or asserted. (Marcelino vs. CA, 210 SCRA 444). For failure of the plaintiff-appellant wife to institute her action for annulment of sale, while her husband-vendor was still alive as required by Article 173 of the New Civil Code, plaintiff-appellant wife’s right under Article 166 of the same Code has become stale and is now barred by laches.

In view of the foregoing findings, We rule that the trial court erred in giving due course to the action for annulment of sale. With the foregoing findings and resolution the other issues raised in this appeal are now moot and academic.

WHEREFORE, in view of all the foregoing, judgment is hereby rendered giving due course to the appeal of defendant-appellant, -and- dismissing the appeal of plaintiff-appellant.

The decision dated June 20, 1991 rendered by the Regional Trial Court is

REVERSED and SET ASIDE.

The Deed of Absolute Sale executed on February 27, 1987 by and between defendant-appellant and plaintiff-appellant's husband is declared VALID and BINDING upon the plaintiff-appellant.<sup>[9]</sup>

Both the trial and the appellate court decisions have established that Rafael Ayuste sold conjugal property without the consent of Christina Ayuste, his wife. This factual finding shall not be disturbed because only questions of law are reviewed in an appeal under Rule 45 of the Rules of Court subject to certain well-defined exceptions none of which are present in the instant case. The only issue which remains to be resolved is whether petitioners are entitled to the annulment of the contract of sale entered into by Rafael Ayuste without the consent of Christina Ayuste.

Petitioners claim that since the law expressly prohibits the husband from alienating real property belonging to the conjugal partnership without his wife's consent, the contract of sale in question is a nullity pursuant to article 1409 of the Civil Code which provides that contracts expressly prohibited by law are inexistent and void from the beginning. It is further averred by petitioners that the present action is not barred because the action to declare the nullity of a contract does not prescribe. Furthermore, Christina Ayuste cannot be faulted for having brought the action only after the death of her husband, despite the periods stated in article 173 of the Civil Code, since she had no knowledge of the sale during his lifetime as he concealed the same from her. Finally, it is contended that article 166 is the relevant provision, not article 173.<sup>[10]</sup>

Under the Civil Code, although the husband is the administrator of the conjugal partnership,<sup>[11]</sup> he cannot alienate or encumber any real property of the conjugal partnership without his wife's consent,<sup>[12]</sup> subject only to certain exceptions specified in the law.<sup>[13]</sup> The remedy available to the wife in case her husband should dispose of their conjugal property without her consent is laid down in Article 173 of the Civil Code which states that-

The wife may, during the marriage, and within ten years from the transaction questioned, ask the courts for the annulment of any contract of the husband entered into without her consent, when such consent is required, or any act or contract of the husband which tends to defraud her or impair her interest in the conjugal partnership property. Should the wife fail to exercise this right, she or her heirs, after the dissolution of the marriage, may demand the value of property fraudulently alienated by the husband. (emphasis supplied)

There is no ambiguity in the wording of the law. A sale of real property of the conjugal partnership made by the husband without the consent of his wife is voidable<sup>[14]</sup> The action for annulment must be brought during the marriage and within ten years from the questioned transaction by the wife.<sup>[15]</sup> Where the law speaks in clear and categorical language, there is no room for interpretation – there is room only for application.<sup>[16]</sup>

In the present case, the deed of sale was executed on February 27, 1987. Rafael Ayuste died on October 13, 1989. However, it was only on March 2, 1990 that