



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **March 15, 2022** which reads as follows:*

**“G.R. No. 242291 (*Heirs of Dionisia<sup>1</sup> Roco Argamosa, represented by Helen Argamosa Canafe, petitioners vs. Heirs of Godofredo Navera, Sr., represented by Mrs. Vilma Navera Jaucian, respondents*).**

This petition for review on *certiorari* seeks to reverse and set aside the May 10, 2018 Decision<sup>2</sup> and September 17, 2018 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 108156. The CA reversed the September 6, 2016 Decision<sup>4</sup> and the November 23, 2016 Order<sup>5</sup> of the Regional Trial Court (RTC) of Ligao City, Branch 12, in Civil Case No. 2751, which granted petitioners’ complaint for nullification and cancellation of deed of absolute sale and ordered the reconveyance of Lot 7490 to petitioners.

*Antecedents*

Pedro Roco was the owner of a parcel of land denominated as Lot 7490 situated in Tula-Tula, Ligao City, Albay, with an area of Fourteen Thousand Four Hundred Sixty-Six (14,466) square meters. On July 4, 1949, Pedro died intestate. Consequently, Lot 7490, as well as his other properties, were inherited by his five (5) children, namely: Potenciana, Mateo, Dionisia, Marciano, and Dolores, all surnamed Roco (*Roco siblings*).<sup>6</sup>

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<sup>1</sup> Also referred to as “Dionisio Roco Argamosa” in another part of the *rollo* (see *rollo*, p. 9-A).

<sup>2</sup> *Rollo*, pp. 27-37; penned by Associate Justice Manuel M. Barrios with Associate Justices Japar B. Dimaampao and Jhosep Y. Lopez (now Members of the Court), concurring.

<sup>3</sup> *Id.* at 39-41.

<sup>4</sup> *Id.* at 155-172; penned by Presiding Judge Annielyn B. Medes-Cabelis.

<sup>5</sup> *Id.* at 178-181.

<sup>6</sup> *Id.* at 28-29.

On September 6, 1950, the Roco siblings executed an Extrajudicial Partition of Estate and Cession<sup>7</sup> over Lot 3781, another parcel of land owned by their father. Dionisia and Dolores ceded their respective one-fifth (1/5) shares over Lot 3781 in favor of their siblings “for and in consideration of the sum of ONE PESO (₱1.00), Philippine Currency, and other valuable consideration xxx paid in cash and receipt hereof is hereby acknowledged...”<sup>8</sup> Relative thereto, Dionisia and her heirs claim that, in addition to the amount received, Lot 7490 was allegedly assigned to Dionisia, while the other properties of Pedro situated in Oas, Albay, were supposedly assigned to Dolores.<sup>9</sup>

On December 29, 1969, Dionisia passed away and was succeeded by her six (6) children.<sup>10</sup> The heirs of Dionisia are the *petitioners* herein, represented by Helen A. Canafe (*Canafe*),<sup>11</sup> the granddaughter of Dionisia.<sup>12</sup>

Unknown to petitioners, on April 2, 1974, Potenciana, Mateo, and Marciano – representing themselves as “true and absolute owners *pro indiviso*”<sup>13</sup> of Lot 7490 – executed a Deed of Absolute Sale<sup>14</sup> of said property in favor of Godofredo Navera, Sr. for the price of One Thousand Three Hundred Pesos (₱1,300.00). Thereafter, Godofredo possessed and cultivated Lot 7490 and was able to cause the issuance in his name of Original Certificate of Title (*OCT*) No. P-25405<sup>15</sup> on November 5, 1986, and a corresponding tax declaration.<sup>16</sup>

Petitioners discovered the sale of Lot 7490 some two decades later. Canafe asked Godofredo to reconvey Lot 7490 to her family. When Godofredo declined, Canafe brought the dispute before their *barangay lupon* and sought legal assistance from the Public Attorney’s Office (*PAO*), but no amicable settlement was reached. After Godofredo passed away, Canafe addressed her demand to Godofredo’s daughter, Vilma Navera Jaucian (*Jaucian*), who rejected the same because Godofredo had validly acquired ownership of Lot 7490 as shown by a Torrens title in his name.<sup>17</sup>

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<sup>7</sup> Id. at 59-61.

<sup>8</sup> Id. at 60.

<sup>9</sup> Id. at 29.

<sup>10</sup> Id. at 29.

<sup>11</sup> Id. at 12.

<sup>12</sup> Id. at 29.

<sup>13</sup> Id. at 62.

<sup>14</sup> Id. at 62-63.

<sup>15</sup> Records, p. 41.

<sup>16</sup> Id. at 16; Tax Declaration No. 2008-03-025-0063MO.

<sup>17</sup> Id. at 29-30.

Hence, on June 14, 2013, petitioners filed a complaint against the heirs of the late Godofredo Navera, Sr. (*respondents*), represented by Jaucian<sup>18</sup> for nullification of the deed of absolute sale and the corresponding tax declaration and reconveyance of Lot 7490.

### *The RTC Ruling*

In its September 6, 2016 Decision, the RTC ruled in favor of petitioners. It nullified and ordered the cancellation of the deed of absolute sale and corresponding tax declaration. It also ordered respondents to reconvey to petitioners Lot 7490.<sup>19</sup> The dispositive portion of the said decision reads:

WHEREFORE, judgment is hereby rendered as follows:

- a. The Deed of Absolute Sale dated April 2, 1974, which was executed in Manila and notarized before Notary Public Bernabe C. Cabico, per Doc. No. 1295, Page 46, Book No. 65, Series of 1974 and the corresponding Tax Declarations issued in relation thereto are hereby NULLIFIED and ORDERED CANCELLED;
- b. Defendants are ORDERED to re-convey to plaintiffs Lot No. 7490 of Ligao Cadastre, situated in the barrio of Losong, Ligao City, Province of Albay, containing an area of 14,446 square meters, more or less;
- c. Defendants are DIRECTED to pay the costs of suit and ₱10,000.00 as reasonable amount for attorney's fees, which must be deposited at the National Treasury pursuant to par. 6, Section 6 of R.A. [No.] 9406, otherwise known as "An Act Reorganizing and Strengthening the Public Attorney's Office"; and
- d. Dismissing the counterclaim of defendants.

Let a copy of this Decision be furnished the Register of Deeds of Albay.

SO ORDERED.<sup>20</sup>

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<sup>18</sup> Id. at 30.

<sup>19</sup> Id. at 172.

<sup>20</sup> Id.

The RTC ruled that petitioners had proved that Lot 7490 is the share of their predecessor Dionisia and that the April 2, 1974 Deed of Absolute Sale is spurious since the sellers were not the owners of Lot 7490. It noted that the extrajudicial partition of estate and cession specifically stated that Dionisia and Dolores ceded their share over Lot 3781 in consideration of ₱1.00 and “other valuable consideration.” It gave weight to Canafe’s testimony that Godofredo apologized to her during their mediation before the PAO and promised to return Lot 7490 by executing a deed of sale in their favor. The RTC declared that Jaucian did not refute this testimony and, in fact, admitted that they had initially agreed to return Lot 7490 but had a change of mind since it was already registered in the name of Godofredo.<sup>21</sup>

The RTC also ruled that Godofredo’s title over Lot 7490 is not indefeasible because it was acquired through fraud and misrepresentation.<sup>22</sup> Further, it declared that petitioners’ cause of action had not prescribed despite being filed after 26 years and 7 months from the issuance of the OCT, or beyond the 10-year prescriptive period for an action for reconveyance based on an implied trust. It stated that Godofredo’s alleged confirmation and agreement to execute a deed of sale in favor of petitioners constituted an express recognition of their rights and was an implied renunciation of prescription. Even if he later changed his mind about the deed of sale, he had already impliedly renounced prescription and even acknowledged petitioners’ ownership of Lot 7490.<sup>23</sup>

Respondents filed a motion for reconsideration, which the RTC denied in its November 23, 2016 Order.

Dissatisfied, respondents appealed the September 6, 2016 Decision and the November 23, 2016 Order of the RTC before the CA.

### *The CA Ruling*

In its May 10, 2018 Decision, the CA reversed and set aside the RTC decision and order and entered a new one dismissing the complaint.<sup>24</sup> The *fallo* reads:

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<sup>21</sup> Id. at 162-163.

<sup>22</sup> Id. at 164.

<sup>23</sup> Id. at 164-168.

<sup>24</sup> Id. at 36.

**WHEREFORE**, premises considered, the Decision dated 06 September 2016 and the Order dated 23 November 2016 of the Regional Trial Court, Branch 12, Ligao City, Albay are **REVERSED** and **SET ASIDE**, and a new one is rendered **DISMISSING** the Complaint for Reconveyance filed by herein appellees/heirs of the late Dionisia Roco Argamosa before it for lack of merit.

**SO ORDERED.**<sup>25</sup>

The CA held that petitioners' action for reconveyance had already prescribed at the time of its filing and that, in any event, petitioners had failed to prove Dionisia's ownership over Lot 7490 or to disprove respondents' ownership.<sup>26</sup> On the issue of ownership, the CA stated that the extrajudicial partition of estate involved Lot 3781 only. Nowhere in said document does it state that Lot 7490 was assigned or ceded to Dionisia. It merely stated that Dionisia ceded her share in Lot 3781 to her three siblings in consideration of ₱1.00 and "other valuable consideration."<sup>27</sup> It discarded Canafe's testimony for being self-serving. It also did not give weight to the supposed admission of Jaucian.<sup>28</sup> It concluded that since there is no credible proof that Lot 7490 was wholly ceded to Dionisia or that it had already been partitioned by the Roco siblings, it follows that Lot 7490 is co-owned by the five (5) Roco siblings *pro indiviso*; thus, each sibling can only sell one-fifth (1/5) aliquot share in the property. Accordingly, the sale to Godofredo is valid only as to the respective shares of Marciano, Potenciana, and Mateo or three-fifth (3/5) aliquot portion thereof but void as to the two-fifth (2/5) portion pertaining to the shares of Dionisia and Dolores.<sup>29</sup>

Nevertheless, the CA concluded that petitioners cannot seek reconveyance of the one-fifth (1/5) share of Dionisia in Lot 7490 because their cause of action had already prescribed. It noted that the OCT was issued in Godofredo's name on November 5, 1986, while the instant complaint was only filed twenty-six years later or on June 14, 2013.<sup>30</sup>

Petitioners moved for reconsideration of this decision, which the CA denied in its September 17, 2018 Resolution.<sup>31</sup>

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<sup>25</sup> Id.

<sup>26</sup> Id. at 33.

<sup>27</sup> Id.

<sup>28</sup> Id. at 34.

<sup>29</sup> Id.

<sup>30</sup> Id. at 35-36.

<sup>31</sup> Id. at 39-41.

**ISSUES**

Undaunted, petitioners filed the present petition and raise the following issues:

I.

WHETHER THE COURT OF APPEALS GRAVELY ERRED IN REVERSING AND SETTING ASIDE THE RTC DECISION BY TREATING THE INSTANT CASE AS A COMPLAINT SOLELY FOR RECONVEYANCE;

II.

WHETHER THE COURT OF APPEALS GRAVELY ERRED IN FAILING TO RESOLVE THE PETITIONERS' SUBMISSION THAT ALL DOCUMENTS WHICH EMANATED FROM THE VOID DEED OF ABSOLUTE SALE ARE ALSO VOID AND INEXISTENT;

III.

WHETHER THE COURT OF APPEALS GRAVELY ERRED IN FAILING TO RESOLVE THE PETITIONERS' SUBMISSION THAT THE ACTION FOR THE NULLIFICATION AND CANCELLATION OF THE VOID DEED OF ABSOLUTE SALE IS IMPRESCRIPTIBLE.<sup>32</sup>

Petitioners question the assailed CA decision and resolution on the following grounds. *First*, petitioners argue that the CA erred in treating the instant case solely as one for reconveyance. It should have resolved their submission that OCT No. P-25405 and all documents emanating from the deed of absolute sale are void and inexistent. The action to declare the inexistence of a contract does not prescribe. *Second*, they insist that OCT No. P-25405 did not become indefeasible because it was secured through fraud. *Third*, they aver that their action has not yet prescribed because it was brought within four (4) years from the discovery of the fraud. It was only in 2013 that Canafe discovered the fraud and had the resources to initiate the instant case. *Fourth*, they rely on Godofredo's alleged recognition of Dionisia's exclusive ownership over Lot 7490. They allege that it is both a declaration against interest and a judicial admission. They also refer to Jaucian's alleged admission of this acknowledgment by her father. Thus, they maintain that the CA erred in rendering the assailed decision and resolution.<sup>33</sup>

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<sup>32</sup> Id. at 16.

<sup>33</sup> Id. at 17-20.

In their November 13, 2018 Comment,<sup>34</sup> respondents argue that petitioners' complaint before the RTC was principally to recover the subject parcel of land, which is, in essence, an action for reconveyance. It should fail since it was filed only after twenty-six (26) years, way beyond the prescriptive period; and because petitioners failed to prove ownership and possession of the subject property.<sup>35</sup> Respondents aver that the CA correctly found that the deed of absolute sale is valid insofar as the respective shares of the vendors therein are concerned. Hence, it is not void.<sup>36</sup> Finally, they posit that, since petitioners failed to prove ownership of the subject parcel of land and possession of the same, the CA rightfully considered their actions to have already prescribed.<sup>37</sup>

In their July 1, 2020 Reply,<sup>38</sup> petitioners reiterated and amplified their arguments. They insisted that the CA gravely erred in treating their complaint as one solely for reconveyance.<sup>39</sup> Further, they claim that OCT No. P-25405 did not become indefeasible because it emanated from a free patent secured through fraud.<sup>40</sup> Also, they asseverate that their action is imprescriptible since, per Article 1410 of the Civil Code, "[t]he action or defense for the declaration of the inexistence of a contract does not prescribe." Besides, even if the CA was correct, the instant case was instituted within four (4) years from the discovery of the fraud and when petitioners had the resources to initiate the instant case.<sup>41</sup> Finally, they insist that Godofredo's act of recognizing Dionisia's exclusive ownership of Lot 7490 amounted to both a declaration against interest and a judicial admission. Hence, it need not be proved.<sup>42</sup> They pray that the CA decision and resolution be reversed and set aside and the RTC decision be reinstated.

### **The Court's Ruling**

The petition is partly meritorious.

The instant action is one for reconveyance. Contrary to the findings of the CA, it is not grounded on allegations of fraud but on allegations of a void or inexistent contract. Such action does not

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<sup>34</sup> Id. at 230-232.

<sup>35</sup> Id. at 230.

<sup>36</sup> Id. at 231.

<sup>37</sup> Id.

<sup>38</sup> Id. at 248-253.

<sup>39</sup> Id. at 248-249.

<sup>40</sup> Id. at 249.

<sup>41</sup> Id. at 250.

<sup>42</sup> Id. at 250-251.

prescribe. Nonetheless, the CA is correct that petitioners failed to prove Dionisia's ownership over the entirety of Lot 7490. They were only able to prove that Dionisia owned a 1/5 aliquot share in Lot 7490 as one of the heirs of Pedro. The rest of the heirs of Pedro also owned a 1/5 aliquot share in Lot 7490 as part of their share in Pedro's estate.

*Petitioners failed to prove Dionisia's ownership over the entirety of Lot 7490. Dionisia is only entitled to a 1/5 share of the same.*

The deed of absolute sale covering Lot 7490 in favor of Godofredo did not involve Dionisia. Plainly put, Dionisia did not give her consent to the sale of her 1/5 aliquot share in Lot 7490. Hence, the sale to Godofredo did not include the 1/5 portion of Lot 7490 owned by Dionisia. Petitioners, as Dionisia's heirs, are entitled to reconveyance of her 1/5 aliquot share in Lot 7490.

The Roco siblings inherited Lot 7490, along with Lot 3781, from their father Pedro Roco. Per the extrajudicial partition of estate and cession the Roco siblings executed, Dionisia and Dolores ceded their shares in Lot 3781 to Potenciana, Mateo, and Marciano for ₱1.00 and other valuable consideration.

Petitioners contend that, as to Dionisia, the "other valuable consideration" in the extrajudicial partition of estate and cession refers to Lot 7490.

The Court is not persuaded. Aside from their bare allegations, petitioners failed to adduce other evidence in support of this particular assertion.

There is nothing in the extrajudicial partition of estate and cession which would support the conclusion that the "other valuable consideration" for Dionisia was the sole and absolute ownership of Lot 7490.

Further, the Court cannot give any merit to the judicial affidavits of Antonio Peñano<sup>43</sup> and Jesus C. Torres,<sup>44</sup> which uniformly stated in the same language that "*x x x Sa katunayan niyan , noong*

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<sup>43</sup> Id. at 117-119.

<sup>44</sup> Id. at 120-122.



*buhay pa ang magkakapatid, sila mismo ang nagsasabi na ang Lot No. 7490 ay pag-aaari ni lola Dionisia bilang kanyang parte o mana sa kanilang magulang.*"<sup>45</sup> The lack of details on how, where, when, and to whom the siblings acknowledged Dionisia's ownership of Lot 7490 renders doubtful the veracity of this statement. Further, the fact that the two judicial affidavits were similarly worded also casts serious doubts thereon.

The Court also cannot give any merit to the averment that Godofredo acknowledged Dionisia's ownership of Lot 7490. The only evidence in support of this statement is the testimony of Canafe. As this is self-serving, it cannot be accorded any weight. Further, contrary to petitioners' assertion, Jaucian refuted Canafe's testimony. She testified during her cross-examination that she was the only one present during the mediation before the PAO, and that her father was not present during said mediation.<sup>46</sup>

Reproduced herein is the pertinent excerpt from the testimony of Jaucian before the trial court:

Q: Is it not that in 2004, sometime in April 2004 before this case was filed, **you and your father appeared before the Public Attorney's Office for mediation and conciliation proceeding requested by Helen Canafe?**

A: **I don't remember.**

Q: **Before this case was filed?**

A: **I was the one not my father.**

Q: **So, you do not recall that your father was there present?**

A: **No.**

Q: During the mediation proceeding, is it not that there was an agreement **between you and the plaintiff** that you will just return the property through a deed of sale to be executed by your father, Godofredo Navera in favor of Helen Canafe?

A: That did not push through because we have already a title, my sisters did not agree.

Q: Besides, during the time when you were at the Public Attorney's Office, you informed the plaintiff Helen Canafe that you still need to ask your mother who was then sick?

A: Yes, she was sick.

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<sup>45</sup> Id. at 117 and 120.

<sup>46</sup> TSN, February 3, 2016, p. 11.

- Q: And you had an agreement with the plaintiff that once the document is signed, you will be proceeding to a Notary Public for the notarization of that document?
- A: Yes, but it did not push through because my father did not sign.
- Q: **Yes, because when you went home, you had a change of mind and your father not to sign the deed of sale prepared before the Public Attorney's Office, is it not?**
- A: **My father did not sign because we were already there at the office of Atty. Ramirez but I do not know what happened. He was not there and I showed Helen that we have already a copy of the original title, so she backed out, her contact then was Aida.**
- Q: Wait. And when you saw Helen Canafe, the plaintiff in this case at the office of Atty. Ramirez that was the time that you informed me and that you will no longer pursue with the agreement, the signing of the deed of sale, is it not?
- A: Yes, I have with me the copy of the title.<sup>47</sup> (emphases supplied)

It is plain to see from the foregoing excerpt that Jaucian was firm in her statement that her father, Godofredo, was not present during the mediation. Furthermore, the question propounded to Jaucian relating to the supposed agreement of returning Lot 7490 through a deed of sale used the pronoun "you," signifying that the agreement was between her and Canafe. Her father, Godofredo, had no part therein.<sup>48</sup> Since he was not present during said mediation, Godofredo could not have acknowledged Dionisia's ownership of Lot 7490 during the said meeting.

Based on the foregoing, it is evident that petitioners failed to prove that Dionisia owned the entirety of Lot 7490 as her share in the estate of Pedro.

Pedro passed away on July 4, 1949. The Spanish Civil Code of 1889 was in effect at the time of his death, since the Civil Code of the Philippines took effect on August 30, 1950.<sup>49</sup>

Art. 657 of the Spanish Civil Code of 1889 provides that "[t]he rights to the succession of a person are transmitted from the moment of his death." Hence, upon Pedro's death, the Roco siblings became co-owners of Lot 7490 in equal shares.

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<sup>47</sup> TSN, February 3, 2016, pp.11-12.

<sup>48</sup> *Id.*

<sup>49</sup> *Malang v. Moson*, 393 Phil. 41, 56 (2000).

On April 2, 1974, Marciano, Potenciana, and Mateo executed a deed of absolute sale in favor of Godofredo conveying ownership of Lot 7490. At this time, the Civil Code of the Philippines was already in effect.

Under Art. 493 of the Civil Code of the Philippines, “a co-owner has the right to sell his undivided share. **If he sells the entire property without obtaining the consent of the other co-owners, the sale is not null and void. Only the rights of the co-owner-seller are transferred, thereby making the buyer a co-owner of the property.** The transferee gets only what his transferor would have been entitled to after partition.”<sup>50</sup> (emphasis supplied)

In interpreting this provision, the Court stated:

Under this provision, each co-owner has the full ownership of his part or share in the co-ownership and may, therefore, alienate, assign or mortgage it except when personal rights are involved. Should a co-owner alienate or mortgage the co-owned property itself, the alienation or mortgage shall remain valid but only to the extent of the portion which may be allotted to him in the division upon the termination of the co-ownership.<sup>51</sup> In *Carvajal v. Court of Appeals*,<sup>52</sup> the Court said:

While under Article 493 of the New Civil Code, each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto and he may alienate, assign or mortgage it, and even substitute another person in its enjoyment, **the effect of the alienation or the mortgage with respect to the co-owners, shall be limited, by mandate of the same article, to the portion which may be allotted to him in the division upon the termination of the co-ownership. He has no right to sell or alienate a concrete, specific, or determinate part of the thing in common to the exclusion of the other co-owners because his right over the thing is represented by an abstract or ideal portion without any physical adjudication.** An individual co-owner cannot adjudicate to himself or claim title to any definite portion of the land or thing owned in common until its actual partition by agreement or judicial decree. Prior to that time all that the co-owner has is an

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<sup>50</sup> *Corinthian Realty Inc. v. Court of Appeals*, 442 Phil. 488, 497 (2002).

<sup>51</sup> *Philippine National Bank v. Garcia*, 734 Phil. 623, 634 (2014), citations omitted.

<sup>52</sup> 197 Phil. 913 (1982).

ideal or abstract quota or proportionate share in the entire thing owned in common by all the co-owners. What a co-owner may dispose of is only his *undivided aliquot share*, which shall be limited to the portion that may be allotted to him upon partition.<sup>53</sup> (emphasis supplied)

Prescinding from the foregoing, the sale by Marciano, Potenciano, and Mateo to Godofredo of Lot 7490 is not null and void. It is, in fact, valid but **only as to their respective 1/5 shares in the same**. The sale did not affect Dionisia's 1/5 aliquot share in the property since she took no part in the execution of the deed of absolute sale. The deed of absolute sale only made Godofredo a co-owner of the property; Dionisia's 1/5 aliquot share in Lot 7490 subsists.

*The action for reconveyance of Dionisia's 1/5 share has not prescribed because an action for reconveyance based on a void or inexistent contract does not prescribe.*

The CA held that while Dionisia owns a 1/5 portion of Lot 7490, the action for reconveyance of her 1/5 portion had already prescribed because the complaint was filed some 26 years from the issuance of the OCT.

The Court disagrees.

“An action for reconveyance is a legal remedy granted to a rightful owner of land wrongfully or erroneously registered in the name of another to compel the latter to reconvey the land to him. In reconveyance, the decree of registration is respected as incontrovertible. What is sought instead is the transfer of the property, which has been wrongfully or erroneously registered in another person's name, to its rightful and legal owner, or to one with a better right.”<sup>54</sup>

In *Uy v. Court of Appeals*,<sup>55</sup> the Court expounded on the basis for the action for reconveyance and the different prescriptive periods applicable:

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<sup>53</sup> Id. at 917-918.

<sup>54</sup> *Gatmaytan v. Misibis Land, Inc.*, G.R. No. 222166, June 10, 2020. (citations omitted).

<sup>55</sup> 769 Phil. 705 (2015).

An action for reconveyance is based on Section 53, paragraph 3 of Presidential Decree (P.D.) No. 1529, which provides:

In all cases of registration procured by fraud, the owner may pursue all his legal and equitable remedies against the parties to such fraud without prejudice, however, to the rights of any innocent holder for value of a certificate of title. x x x

In *Caro v. Court of Appeals*, we said that this provision should be read in conjunction with Article 1456 of the Civil Code, which provides:

Article 1456. If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes.

The law creates the obligation of the trustee to reconvey the property and its title in favor of the true owner. Correlating Section 53, paragraph 3 of P.D. No. 1529 and Article 1456 of the Civil Code with Article 1144 (2) of the Civil Code, **the prescriptive period for the reconveyance of fraudulently registered real property is ten (10) years reckoned from the date of the issuance of the certificate of title.** This ten-year prescriptive period begins to run from the date the adverse party repudiates the implied trust, which repudiation takes place when the adverse party registers the land. **An exception to this rule is when the party seeking reconveyance based on implied or constructive trust is in actual, continuous and peaceful possession of the property involved.** Prescription does not commence to run against him because the action would be in the nature of a suit for quieting of title, an action that is imprescriptible.

**The foregoing cases on the prescriptibility of actions for reconveyance apply when the action is based on fraud, or when the contract used as basis for the action is voidable.** Under Article 1390 of the Civil Code, a contract is voidable when the consent of one of the contracting parties is vitiated by mistake, violence, intimidation, undue influence or fraud. **When the consent is totally absent and not merely vitiated, the contract is void. An action for reconveyance may also be based on a void contract. When the action for reconveyance is based on a void contract, as when there was no consent on the part of the alleged vendor, the action is imprescriptible.** The property may be reconveyed to the true owner, notwithstanding the TCTs already issued in another's name. The issuance of a certificate of title in the latter's favor could not vest upon him or her ownership of the property; neither could it validate the purchase thereof which is null and void. Registration does not vest title; it is merely the

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evidence of such title. Our land registration laws do not give the holder any better title than what he actually has. Being null and void, the sale produces no legal effects whatsoever.

**Whether an action for reconveyance prescribes or not is therefore determined by the nature of the action, that is, whether it is founded on a claim of the existence of an implied or constructive trust, or one based on the existence of a void or inexistent contract.**<sup>56</sup> (emphases supplied, citations omitted)

To reiterate, the applicable prescriptive period for an action for reconveyance depends on the nature of the action: whether founded on a claim of the existence of an implied or constructive trust OR based on the existence of a void or inexistent contract.

Here, the prescriptive period for reconveyance applied by the CA refers to the prescriptibility of actions for reconveyance when the action is based on fraud, or when the contract used as basis for the action is voidable.

To determine whether the prescriptive period applied by the CA is proper, the Court must determine the nature of the action brought by petitioners. It is axiomatic that “the nature of an action is not determined by what is stated in the caption of the complaint but by the allegations of the complaint and the reliefs prayed for.”<sup>57</sup> Hence, the Court must examine the allegations in the complaint filed by petitioners.

The complaint filed by petitioners alleges and prays as follows:

8. That when Pedro Roco had passed away, the said properties were inherited by all his children, Mateo Roco, Potenciana Roco, Dionisia Roco Argamosa, and Marciano Roco (of his first marriage) and Dolores Roco (of his second marriage).

Lot No. 3781 went to and partitioned by Potenciana, Mateo and Marciano all surnamed ROCO, by virtue of an “Extra-Judicial Partition of Estate and Cession,” dated September 6, 1950, which was notarized before Notary Public Segundo Q. Flores, Jr., per Doc. No. 150, Page 56, Book 11, Series of 1950, wherein **Dionisia Roco Argamosa and Dolores Roco ceded their rights thereto**

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<sup>56</sup> Id. at 719-721.

<sup>57</sup> *Barangay Piapi v. Talip*, 506 Phil. 392, 396 (2005).

**with express agreement that Lot No. 7490 shall go to Dionisia Roco Argamosa** and other properties located in Oas, Albay shall go to Dolores Roco, copy of which is hereto attached as ANNEX "E";

x x x x

10. That after Dionisia Roco Argamosa died on December 29, 1969 in Guinobatan, Albay and unknown to her surviving heirs and children, **these Potenciana, Mateo and Marciano, all surnamed ROCO, allegedly and surreptitiously sold Lot No. 7490, which was the share of the inheritance of Dionisia Roco Argamosa, to Godofredo Navera, Sr. by virtue of Deed of Absolute Sale, dated April 2, 1974,** which was executed in Manila and was notarized before Notary Public Bernabe C. Cabico, per Doc. No. 1295, Page 46, Book No. 65, Series of 1974, copy of which is hereto attached as ANNEX "F";

11. That by virtue of that fraudulent Deed of Absolute Sale, dated April 2, 1974, Godofredo Navera, Sr. was able to register under his name said Lot No. 7490 and Tax Declaration No. 2008-03-025-0063MO was issued in his name, copy of which is already hereto attached as ANNEX "C", to the damage and prejudice of the heirs of Dionisia Roco Argamosa;

x x x x

#### Prayers

**WHEREFORE,** premises considered, it is respectfully prayed unto the Honorable Court that judgment be rendered in favor of the plaintiffs and against the defendants in the following manner:

1. **ORDERING** the nullification and cancellation of Deed of Absolute Sale, dated April 2, 1974, which was executed in Manila and was notarized before Notary Public Bernabe C. Cabico, per Doc. No. 1295, Page 46, Book No. 65, Series of 1974;
2. **ORDERING** the nullification and cancellation of Tax Declaration No. 2008-03-025-0063MO;
3. **ORDERING** the defendants to reconvey Lot No. 7490 by executing a Deed of Conveyance in favor of the plaintiffs;

x x x x

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Other relief[s] which is just and proper under the premises is also being prayed for by the plaintiffs.<sup>58</sup> (emphases supplied)

From the foregoing, it is evident that petitioners based their action for reconveyance on the existence of a void or inexistent contract. They alleged that Lot 7490 was Dionisia's share of inheritance from Pedro and that Marciano, Potenciano, and Mateo sold the same to Godofredo without her knowledge and consent. Simply put, petitioners alleged in their complaint that Dionisia owned Lot 7490 in its entirety and that it was sold to Godofredo by Marciana, Potenciano, and Mateo without Dionisia's consent. **When the consent is totally absent and not merely vitiated, the contract is void.**<sup>59</sup> Hence, petitioners' action is one for reconveyance based on a void or inexistent contract, not one based on fraud or a voidable contract. The present action for reconveyance is imprescriptible.

It must be emphasized that the unfortunate use of the words "fraudulent" and "surreptitiously" in the complaint does not detract from the true nature of the action as one for reconveyance on the basis of a void or inexistent contract. The complaint does not allege any acts of fraud committed by Marciano, Potenciano, and Mateo or Godofredo to ensure the sale. Rather, the allegations in the complaint make out a case of a property sold without the consent of the owner. This is clearly an action for reconveyance based on a void or inexistent contract. Thus, the CA erred in finding that petitioners' action for reconveyance had prescribed.

Nonetheless, as discussed above, petitioners were only able to prove their entitlement to a 1/5 aliquot share in Lot 7490. Dionisia did not give her consent to the deed of absolute sale conveying Lot 7490 to Godofredo. It is uncontested that only Marciano, Potenciano, and Mateo executed the said instrument. Thus, the sale is void or inexistent as to the transfer of Dionisia's 1/5 share in Lot 7490. Being a void or inexistent contract as to Dionisia, any action brought by her or her heirs or successors-in-interest to reconvey their 1/5 share in Lot 7490 on this basis is imprescriptible. The CA erred in ruling that petitioners may no longer seek reconveyance of this 1/5 share belonging to Dionisia.

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<sup>58</sup> Records, pp. 4-6.

<sup>59</sup> *Uy v. Court of Appeals*, supra note 55 at 720.

The Court is mindful of respondents' allegation of laches against petitioners. However, the Court has previously ruled that laches cannot be set up to resist the enforcement of an imprescriptible legal right. This is because laches, being a doctrine in equity, may be used only in the absence of, and never against, statutory law.<sup>60</sup>

Petitioners are entitled to reconveyance of a 1/5 aliquot share in Lot 7490 corresponding to Dionisia's share therein. The CA seriously erred in ruling that they may not seek reconveyance of this 1/5 share.

At this juncture, the Court must expressly state that the resolution of the instant case cannot and does not involve the alleged 1/5 share of Dolores in Lot 7490. While it is uncontested that only Marciano, Potenciano, and Mateo executed the deed of sale in favor of Godofredo, the Court is not empowered by the facts before it to order respondents to reconvey to Dolores or her heirs or successors-in-interest their alleged 1/5 share in Lot 7490.

*First*, Dolores' claim or ownership over a 1/5 share of Lot 7490 has not been proven before this Court. It has not been put into issue before the Court and has not been subject to trial. *Second*, neither Dolores herself nor her heirs or successors-in-interest have been impleaded in the action. The Court cannot grant relief to persons not before it for the simple reason that it has not acquired jurisdiction over their persons. An action for reconveyance is an action *in personam*.<sup>61</sup> Hence, Dolores, her heirs, or her successors-in-interest must be impleaded to grant any kind of relief to them.

The Court discusses the foregoing for purposes of clarity only, to explain why its decretal portion will order only reconveyance of a 1/5 share of Lot 7490 in favor of Dionisia's heirs, herein petitioners. It does not write *finis* as to any possible cause of action Dolores, her heirs, or successors-in-interest may have in relation to Lot 7490.

**WHEREFORE**, the petition is **PARTLY GRANTED**. The May 10, 2018 Decision and September 17, 2018 Resolution of the Court of Appeals in CA-G.R. CV No. 108156 are **REVERSED** and **SET ASIDE**. The Heirs of Godofredo Navera, Sr., represented by Mrs. Vilma Navera Jaucian, are **ORDERED** to **RECONVEY** a **ONE-FIFTH (1/5) SHARE** in Lot No. 7490, covered by Original

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<sup>60</sup> *Philippine National Bank v. Heirs of Militar*, 504 Phil. 634, 645 (2005); *Spouses Santos v. Heirs of Lustre*, 583 Phil. 118, 131 (2008).

<sup>61</sup> *Spouses Aboitiz v. Spouses Po*, 810 Phil. 123, 154 (2017), citing *Racoma v. Fortich*, 148-A Phil. 454, 460-461 (1971).

Certificate of Title No. P-25405 and Tax Declaration No. 2008-03-025-0063MO, to the Heirs of Dionisia Roco Argamosa, represented by Helen Argamosa Canafe, by executing a Deed of Conveyance in their favor.

**SO ORDERED.”** *Dimaampao, J., no part due to prior participation in the proceedings before the Court of Appeals. Zalameda, J., designated additional Member per Raffle dated March 9, 2022.*

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court *mc*

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court  
**73-A**

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The Hon. Presiding Judge  
Regional Trial Court, Branch 12  
Ligao City, 4504 Albay  
(Civil Case No. 2751)

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