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SO ORDERED.

Puno, Callejo, Sr., Tinga, and *Chico-Nazario, JJ.*, concur.

SECOND DIVISION

[G.R. No. 144103. August 31, 2005]

AGUEDA DE VERA-CRUZ, MARIO, EVANGELINE, EDRONEL, ANGELITO, TEODORO JR. and FERNANDO, all surnamed DELA CRUZ, *petitioners, vs.* **SABINA MIGUEL**, *respondent.*

SYLLABUS

1. **CIVIL LAW; LAND TITLES AND DEEDS; PRESIDENTIAL DECREE NO. 1529 (PROPERTY REGISTRATION DECREE); PROVIDES THAT NO TITLE TO REGISTERED LAND IN DEROGATION OF THAT OF THE REGISTERED OWNER CAN BE ACQUIRED BY PRESCRIPTION OR ADVERSE POSSESSION.—** The law provides that no title to registered land in derogation of that of the registered owner can be acquired by prescription or adverse possession. Nonetheless, while it is true that a Torrens Title is indefeasible and imprescriptible, the registered landowner may lose his right to recover the possession of his registered property by reason of laches.

2. **ID.; LACHES AND PRESCRIPTION, DISTINGUISHED.—** Laches has been defined as such neglect or omission to assert a right, taken in conjunction with lapse of time and other circumstances causing prejudice to an adverse party, as will operate as a bar in equity. It is a delay in the assertion of a right which works disadvantage to another because of the inequity founded on some change in the condition or relations of the property or parties. It is based on public policy which, for the peace of society, ordains that relief will be denied to a stale

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demand which otherwise could be a valid claim. It is different from and applies independently of prescription. While prescription is concerned with the fact of delay, laches is concerned with the effect of delay. Prescription is a matter of time; laches is principally a question of inequity of permitting a claim to be enforced, this inequity being founded on some change in the condition of the property or the relation of the parties. Prescription is statutory; laches is not. Laches applies in equity, whereas prescription applies at law. Prescription is based on a fixed time, laches is not. Laches means the failure or neglect for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert it either has abandoned or declined to assert it.

3. ID.; LACHES; THE QUESTION OF LACHES IS ADDRESSED TO THE SOUND DISCRETION OF THE COURT AND CONTROLLED BY EQUITABLE CONSIDERATIONS.— There is no absolute rule as to what constitutes laches or staleness of demand; each case is to be determined according to its particular circumstances. The question of laches is addressed to the sound discretion of the court, and since laches is an equitable doctrine, its application is controlled by equitable considerations. It cannot work to defeat justice or to perpetrate fraud and injustice.

4. ID.; LAND TITLES AND DEEDS; A TAX DECLARATION DOES NOT PROVE OWNERSHIP.— A tax declaration does not prove ownership. It is merely an indicium of a claim of ownership. Payment of taxes is not proof of ownership, it is, at best, an indicium of possession in the concept of ownership. Neither tax receipts nor declaration of ownership for taxation purposes are evidence of ownership or of the right to possess realty when not supported by other effective proofs.

5. ID.; PROPERTY; POSSESSION; A SQUATTER HAS NO POSSESSORY RIGHTS OVER THE LAND INTRUDED UPON.— A squatter has no possessory rights over the land intruded upon. As such, her occupancy of the land is only at the owners' sufferance, her acts are merely tolerated and cannot affect the owners' possession. She is necessarily bound to an implied promise that she will vacate upon demand.

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APPEARANCES OF COUNSEL

Medina & Partners Law Offices for petitioners.
Public Attorney's Office for respondent.

D E C I S I O N

CHICO-NAZARIO, *J.*:

Assailed in a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court is the decision[1] of the Court of Appeals dated 12 July 2000 that reversed and set aside the decision of the Regional Trial Court (RTC) of Cauayay, Isabela, Branch 20, in Civil Case No. 20-235, for Recovery of Possession with Damages, ordering respondent Sabina Miguel to vacate the land, subject matter of this case, to remove her house and/or whatever improvements she introduced thereon, to pay rent, and to pay costs of suit.

Petitioners Agueda de Vera-Cruz, Mario, Evangeline, Edronel, Angelito, Teodoro, Jr., and Fernando, all surnamed Dela Cruz, are the registered owners of a parcel of land situated at the Municipality of San Mateo, Isabela, described as Lot 7035-A-8-B-5 containing an area of 17,796 square meters covered by Transfer Certificate of Title (TCT) No. T-70778 of the Registry of Deeds of Isabela which was issued on 17 January 1974.[2]

The origin[3] of Lot 7035-A-8-B-5 is as follows:

Lot 7035-A-8-B-5 is a subdivided portion of Lot 7035-A which was formerly part of a homestead applied for in 1921 by Angel Madrid over lands situated in Santiago, Isabela. The

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[1] CA *Rollo*, pp. 43-51; Penned by Associate Justice Eriberto U. Rosario, Jr. with Associate Justices Eubolo G. Verzola and Roberto A. Barrios, concurring.

[2] Exh. "A", Records, pp. 35-36.

[3] See consolidated cases of *Republic of the Philippines v. Marita Madrid, et al.*, CA-G.R. No. 31252-R, 23 July 1965 and *Teodoro de la Cruz v. Silverio Corpuz, et al.*, CA-G.R. No. 31309-R, 23 July 1965; *Rollo*, pp. 52-85.

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application was approved in 1935. On 08 August 1947, the Bureau of Lands found him to be in exclusive occupation of the lands subject of the homestead. On 11 July 1950, an order for the issuance of the patent was entered, and Patent V-5993 was issued on 27 September 1950. Pursuant thereto, the Register of Deeds issued Original Certificate of Title (OCT) No. P-1267 on 2 October 1950. Since the homestead consisted of three lots, upon petition of Madrid, the OCT was substituted with TCTs No. T-2385 for Lot 7035-A, No. T-2386 for Lot 7036-B and No. T-2387 for Lot 7036-A.

After the death of Angel Madrid on 23 April 1955, his widow, Cipriana Madrid, and his children extrajudicially partitioned his estate wherein Lot 7035-A and a portion of Lot 7036-B were adjudicated to the widow, while Lot 7036-A and the remainder of Lot 7036-B were given to the children. On 30 September 1955, Cipriana Madrid sold the entire Lot 7035-A to spouses Teodoro Dela Cruz and Agueda de Vera for ₱18,000.00. On 04 January 1956 and 21 April 1956, Cipriana Madrid and the other heirs sold two portions of Lot 7036-B with an aggregate area of 10,200 square meters to Teodoro Dela Cruz. New TCTs were issued in the names of the vendees.

On 01 June 1956, Teodoro Dela Cruz commenced an *accion publiciana* docketed as Civil Case No. BR. II-79 (CA-31309-R) in the Court of First Instance (CFI) of Isabela against Silverio Corpus and twenty-three (23) others for alleged illegal occupation of Lot 7035-A.

On 18 January 1957, the Republic of the Philippines, through the Office of the Solicitor General, filed Civil Case No. BR. II-141 (CA-31252) in the CFI of Isabela for reversion of homestead consisting of Lots 7035-A, 7036-A and 7036-B of the Santiago, Isabela Cadastre, against the widow and heirs of homesteader Angel Madrid, Agueda de Vera, Teodoro Dela Cruz and others.

Teodoro Dela Cruz likewise filed an *accion publiciana* (BR. II-79) with the CFI of Isabela and forcible entry and detainer cases with the Justice of the Peace Court of San Mateo, Isabela (110 and 111) against other occupants of the lots he bought.

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Some of the defendants in said cases and the defendants in BR. II-79, totaling 38, filed a complaint-in-intervention in the reversion case (BR. II-141).

In the reversion case, the CFI dismissed the amended complaint and amended complaint-in-intervention and, among other things, ordered the thirty-eight intervenors to surrender the material and peaceful possession of the portions they are occupying, together with their buildings and improvements within Lot 7035-A, to Teodoro Dela Cruz.

As to BR. II-79, the CFI rendered judgment declaring Teodoro Dela Cruz the absolute owner of Lot 7035-A. It forfeited in favor of Teodoro Dela Cruz all the buildings and improvements of the defendants and ordered the latter to vacate and surrender the material and peaceful possession of the portions they are occupying to the former, and to pay rentals or damages.

Only BR. II-141 and BR. II-79 were appealed to the Court of Appeals which promulgated its decision on 23 July 1965, affirming in all respects the judgments of the CFI. The decision was appealed to the Supreme Court in a petition for *certiorari* which was denied for lack of merit.

Subsequently, the Municipality of San Mateo, Isabela, filed an action for the declaration of nullity of contracts of sale, annulment of TCT and reconveyance of property described as Lot 7035-A before Branch 3 of the CFI of Isabela which was docketed as Civil Case No. 1913.[4] Said court dismissed the complaint on 28 September 1967.

On 30 June 1987, petitioners filed a complaint before the RTC of Cauayay, Isabela, for Recovery of Possession with Damages against respondent for allegedly occupying two hundred (200) square meters, more or less, of Lot 7035-A-8-B-5 without any legal right to do so, much less their consent or permission, and has failed and refused to vacate the premises despite repeated demands. They prayed that respondent be ordered to vacate the land, and to pay them ₱10,000.00 as

[4] Exh. "B"; Records, pp. 37-49.

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attorney's fees, ₱500.00 a month as rental, and moral and exemplary damages as the court may find just and reasonable.[5] The case was raffled to Branch 20 and was docketed as Civil Case No. 20-235.

On 04 August 1987, respondent filed her answer with counterclaim alleging that the land being claimed by petitioners is different from the land where her house is standing and that the land was given or awarded to her by the Municipal Government of San Mateo, Isabela. She added that she has been occupying the land since February 1946 and no one molested her in her actual possession and use thereof except the claims of petitioners which she came to know only on 04 July 1987 when she received the summons.[6]

In their answer to counterclaim dated 14 August 1987, petitioners denied the allegations in the counterclaim and asserted that respondent's claim is an utter and gross falsity because the land is part of a registered land duly titled in their names and, previously, in their predecessors-in-interest.[7]

On 29 January 1988, the court terminated the pre-trial and set the case for hearing after counsel, instead of moving that respondent be declared as in default, moved for its termination due to the latter's absence despite notice.[8]

Before the case can be heard, petitioners filed a Motion for Summary Judgment on the ground that respondent has not raised any genuine issue except as to the question of damages. They said that in a decision rendered by the CFI of Isabela in Civil Case No. 1913[9] entitled, "*The Municipality of San Mateo v. Teodoro Dela Cruz, et al.*," it was adjudged that the land occupied by respondent belonged exclusively to *Teodoro Dela Cruz*, their

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[5] Records, pp. 1-3.

[6] *Id*. at 6-7.

[7] *Id*. at 10.

[8] *Id*. at 30.

[9] Exh. "B", Records, pp. 37-49.

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predecessor, and that said decision has long become final and is *res judicata* as to the ownership of the land in question. They said that since their predecessor-in-interest was declared as the true and legal owner, the municipality had no power or authority to dispose or award any portion of the land in favor of third parties.[10]

On 29 February 1988, respondent filed her opposition to the Motion for Summary Judgment on the ground that the pre-trial was terminated without the issues being simplified, nor stipulations or admissions being made on facts and documents.[11] Petitioners filed a rejoinder dated 17 March 1988.[12]

On 27 April 1988, the RTC rendered a summary judgment declaring petitioners the owners of the land in question and ordered respondent to vacate the same and to remove whatever improvement she has introduced on the lot. The court set the case for hearing with respect to petitioners' claim for damages.[13]

On 12 May 1988, respondent filed a notice of appeal from the summary judgment.[14]

On 25 May 1988, petitioners filed an Omnibus Motion for Execution Pending Appeal and to Set for Reception of Evidence on the Damages[15] which respondent opposed.[16]

In an order dated 07 June 1988, the court denied the motion to execute the decision pending appeal, but granted the motion to set the case for hearing for the reception of the evidence on damages. To avoid multiplicity of appeal, it held in abeyance

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[10] Records, pp. 32-34.

[11] *Id*. at 53.

[12] *Id*. at 54.

[13] *Id*. at 60-64.

[14] *Id*. at 65.

[15] *Id*. at 66-67.

[16] *Id*. at 68-69.

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the transmittal of the records to the Court of Appeals until after the rendition of the decision on the issue of damages.[17]

Petitioners filed a Motion for Reconsideration[18] which respondent opposed.[19] On 24 June 1988, the court denied the motion.

On 22 July 1988, the court rendered its decision on petitioners' claim for damages,[20] ordering respondent to pay petitioners ₱146.66 a month beginning July 1987, and every month thereafter until the former shall have vacated the premises. On 05 August 1988, respondent filed a Notice of Appeal.[21] Petitioners, on the other hand, filed a Motion for Reconsideration praying that the decision be reconsidered, amended or modified to include the award of attorney's fees, expenses of litigation and exemplary damages in their favor.[22] The court denied the motion on 11 August 1988. Thus, petitioners filed a Notice of Appeal.[23]

On 16 February 1990, the Court of Appeals rendered a decision,[24] setting aside the summary judgment dated 27 April 1988 and the judgment on the rental value dated 22 July 1988. The dispositive portion reads:

> WHEREFORE, the summary judgment of April 27, 1988 and the judgment on rental value dated July 22, 1988 are SET ASIDE and the trial court is directed to conduct further proceedings in accordance with the guidelines set forth above, and thereafter to render the proper decision.

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[17] *Id*. at 72.

[18] *Id*. at 73.

[19] *Id*. at 75.

[20] *Id*. at 82-83.

[21] *Id*. at 85.

[22] *Id*. at 87-88.

[23] *Id*. at 93.

[24] *Id*. at 98-104; Penned by Associate Justice Serafin E. Camilon with Associate Justices Jaime M. Lantin and Regina G. Ordoñez-Benitez, concurring.

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On 22 June 1990, pre-trial was conducted and terminated with the parties manifesting that they cannot settle the case and that they failed to enter into a stipulation of facts. The parties agreed to litigate the case on only one issue — whether or not respondent Sabina Miguel is inside or outside the land of the petitioners which is covered by TCT No. T-70778.[25]

After trial, on 08 January 1991, the court rendered a decision[26] in this wise:

> The court resolves the issue in favor of the plaintiffs. The evidence is overwhelming that defendant is occupying an area within the titled land of the plaintiffs. This is established by the testimony of Angelito dela Cruz and the Sketch Plan marked as Exhibit "D" and "D-1" showing that the land occupied by the defendant is inside the titled land of the plaintiffs. Furthermore, defendant admitted that the area she is occupying is a part of the land bounded on the North by Mabini St., East by Magsaysay St., West by Quezon St., and South by Bonifacio St. This is the description of the entire land, consisting of one block, owned and titled in the name of the plaintiffs.
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> . . . . . .
>
> WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendant Sabina Miguel ordering said defendant to vacate the premises of the land in question described in paragraph 2 of the complaint and covered by Transfer Certificate of Title No. T-70778 and to remove her house and/or whatever improvements she introduced on the land, and to pay the plaintiffs ₱15,000.00 representing the rental value of the land occupied by her at the rate of ₱500.00 from the time the complaint was filed on July 30, 1987. Costs against the defendant.

Respondent appealed the decision to the Court of Appeals.[27] On 12 July 2000, the latter reversed and set aside the decision of the RTC. The decision[28] partly reads as follows:

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[25] *Id*. at 115.

[26] *Id*. at 133-135.

[27] *Id*. at 136.

[28] CA *Rollo*, pp. 43-51.

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After a thorough and careful evaluation of the records hereof and the evidence submitted by the parties, the Court finds that the parcel of land which is registered in the name of plaintiffs-appellees includes the land being occupied by defendant-appellant. However, as the Court go deeper into the peculiar circumstances hereof, one important question surfaces: Can plaintiffs-appellees recover the said land from defendant-appellant who has been in peaceful possession thereof for more than 40 years and has performed all acts consistent with her claim of ownership?

. . . . . .

The Court rules that plaintiffs-appellees are guilty of laches for their unexplained and unreasonable delay in asserting their right to the subject land and instituting action to recover the same from defendant-appellant who has been in possession thereof for more than forty years (40). The records show that the complaint for recovery of possession was filed only on June 30, 1987 despite the fact that defendant-appellant has occupied the subject land since February 14, 1946 up to the present.

. . . . . .

There is no doubt that the plaintiffs-appellees' long inaction in asserting their right to the subject land bar them from recovering the same from defendant-appellant under the equitable principle of laches. The law serves those who are vigilant and diligent and not those who sleep when the law requires them to act.

The Court further notes that plaintiffs-appellants did not object to nor complained of the acts of ownership being exercised by defendant-appellant over the subject land. It is apparent from the records that in 1946, the latter, together with her husband (who was already deceased at the time the instant case was initiated), has built a hut on the subject land to serve as their dwelling. In 1954, another one of strong material was constructed, which defendant-appellant still occupies to date. Defendant-Appellant has never been asked to vacate. Neither was she evicted therefrom despite the fact that plaintiffs-appellees were also residing in the same municipality where the subject land is located. Much to this, as early as September 30, 1955, when the parcel of land now covered by TCT No. T-70778 was purchased by plaintiff-appellee Agueda de Vera-Cruz and her husband, from Cipriano Gamino, they knew that some other persons, like defendant-appellant, were in possession of the other parts thereof.

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. . . . . .

Thus, the Court cannot look with favor at plaintiffs-appellees who, by their delay and inaction, knowingly induce defendant-appellant to spend time and effort over the subject land, and thereafter, claim title after more than 40 years of silence.

. . . . . .

WHEREFORE, in view of the foregoing, the decision, dated February 8, 1991, of the court *a quo* is hereby REVERSED and SET ASIDE and a new one is entered ordering plaintiffs-appellees to cause the segregation of the 600 square meters parcel of land, forming part of Lot 7035-A-8-B-5, LRC-Psd 60052, under TCT No. T-70778, presently occupied by defendant-appellant Sabrina Miguel, and to convey the same to said defendant-appellant. After the segregation shall have been accomplished, the Register of Deeds of Isabela is hereby ordered to issue a new certificate of title covering the portion of the land pertaining to plaintiffs-appellees and another certificate of title in favor of defendant-appellant Sabrina Miguel covering the 600 square meters which she occupies.

Petitioners now assail the decision before this Court via a Petition for Review on *Certiorari* advancing the following arguments:

I

THE COURT OF APPEALS ERRED IN NOT RECOGNIZING THE ESTABLISHED PRINCIPLE IN LAW THAT A TORRENS TITLE IS INDEFEASIBLE

II

THE COURT OF APPEALS ERRED IN FINDING THAT THE EQUITABLE DOCTRINE OF LACHES APPLIES TO THE PRESENT CASE

A) THE DOCTRINE OF LACHES IS A REMEDY WHICH IS GROUNDED IN EQUITY AND IT IS TO BE APPLIED IF AND ONLY IF THE CIRCUMSTANCES OF A PARTICULAR CASE WARRANT IT[29]

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[29] *Rollo*, p. 12.

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Petitioners contend that when the Court of Appeals ruled that they were guilty of laches because they supposedly did not protest respondent's long and continuous occupancy of the lot in question, it was in effect saying that the land subject of the present controversy has been acquired by acquisitive prescription which is contrary to law and jurisprudence that the owner of a land registered under the Torrens system cannot lose it by prescription.

A reading of the decision of the Court of Appeals clearly shows that prescription was not the basis of the decision. Nowhere in said decision did it say that respondent acquired the property occupied by her through prescription. In fact, the Court of Appeals was fully aware that adverse, notorious and continuous possession under claim of ownership for the period fixed by law is ineffective against a Torrens title, and that title to a registered land in derogation of that of the registered owner may not be acquired by prescription or adverse possession because the efficacy and integrity of the Torrens system must be protected. *What it used in reaching its conclusion was the exception — LACHES*

The law[30] provides that no title to registered land in derogation of that of the registered owner can be acquired by prescription or adverse possession. Nonetheless, while it is true that a Torrens Title is indefeasible and imprescriptible, the registered landowner may lose his right to recover the possession of his registered property by reason of laches.[31]

Laches has been defined as such neglect or omission to assert a right, taken in conjunction with lapse of time and other circumstances causing prejudice to an adverse party, as will operate as a bar in equity. It is a delay in the assertion of a right which works disadvantage to another because of the inequity

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[30] Act. No. 496, § 46 (The Land Registration Act), now P.D. No. 1529 (Property Registration Decree).

[31] *Isabela Colleges, Inc. v. Heirs of Nieves Tolentino-Rivera*, G.R. No. 132677, 20 October 2000, 344 SCRA 95, 106-107.

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founded on some change in the condition or relations of the property or parties. It is based on public policy which, for the peace of society, ordains that relief will be denied to a stale demand which otherwise could be a valid claim. It is different from and applies independently of prescription. While prescription is concerned with the fact of delay, laches is concerned with the effect of delay. Prescription is a matter of time; laches is principally a question of inequity of permitting a claim to be enforced, this inequity being founded on some change in the condition of the property or the relation of the parties. Prescription is statutory; laches is not. Laches applies in equity, whereas prescription applies at law. Prescription is based on a fixed time, laches is not.[32] Laches means the failure or neglect for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert it either has abandoned or declined to assert it.[33]

Petitioners maintain that the Court of Appeals erred in applying the equitable doctrine of laches in the case at bar. They argue that they and their predecessor-in-interest, Teodoro Dela Cruz, were never remiss, and have not delayed, in asserting their ownership over the property subject of the present case because they have been litigating this issue as far back as 1956 and lasting over ten years, and successfully warding off the respective claims of the illegal occupants, the Republic of the Philippines and the Municipality of San Mateo, Isabela.[34]

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[32] *Heirs of Batiog Lacamen v. Heirs of Laruan*, G.R. No. L-27088, 31 July 1975, 65 SCRA 605, 609-610.

[33] *Catholic Bishop of Balanga v. Court of Appeals*, G.R. No. 112519, 14 November 1996, 264 SCRA 181, 192-193; *Eduarte v. Court of Appeals*, G.R. No. 121038, 22 July 1999, 311 SCRA 18, 26.

[34] See Exh. "B", Records, pp. 37-49, and consolidated cases of *Republic of the Philippines v. Marita Madrid, et al.*, CA-G.R. No. 31252-R, 23 July 1965 and *Teodoro de la Cruz v. Silverio Corpuz, et al.*, CA-G.R. No. 31309-R, 23 July 1965, *Rollo*, pp. 52-85.

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Now, the question is: Should laches be applied in the case before us knowing that petitioners after purchasing Lot 7035-A on 30 September 1955 engaged in court battles against illegal occupants thereof, the Republic of the Philippines and the Municipality of San Mateo, Isabela, for more than ten years resulting in the upholding by the courts of their ownership over the land in question?

There is no absolute rule as to what constitutes laches or staleness of demand; each case is to be determined according to its particular circumstances. The question of laches is addressed to the sound discretion of the court, and since laches is an equitable doctrine, its application is controlled by equitable considerations. It cannot work to defeat justice or to perpetrate fraud and injustice.[35]

Having filed *accion publiciana* and forcible entry and detainer cases in the 1950s against the illegal occupants of Lot 7035-A, though not against respondent, and having successfully overcome the reversion case filed by the Republic and the Reconveyance case filed by the Municipality of San Mateo, Isabela, it cannot be said that petitioners slept on their rights in asserting their ownership over Lot 7035-A. How then can petitioners be said to have failed or neglected to assert their right on the land when they have been judicially fighting to be recognized as the legal owner of Lot 7035-A?

The Court of Appeals ruled that since respondent has been in peaceful and unmolested possession of the subject land since 1946, petitioners are barred from recovering the same under the principle of laches. In support thereof, it cited the cases of *Ching v. Court of Appeals*,[36] *Caragay-Layno v. Court of Appeals*,[37] *Heirs of Batiog Lacamen v. Heirs of Laruan*,[38] *Tambot*

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[35] *Romero v. Natividad*, G.R. No. 161943, 28 June 2005; *Jimenez v. Fernandez*, G.R. No. 46364, 06 April 1990, 184 SCRA 190, 197.

[36] G.R. No. 59731, 11 January 1990, 181 SCRA 9.

[37] G.R. No. L-52064, 26 December 1984, 133 SCRA 718.

[38] *Supra*, Note 32.

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v. Court of Appeals,[39] *Wright, Jr. v. Lepanto Consolidated Mining Co.*[40] and *Vda. de Delima v. Tio*.[41]

From the records, it appears that respondent cannot have entered and possessed the land under litigation in 1946. The Court of Appeals in its decision in the consolidated cases of *Republic of the Philippines v. Marita Madrid, et al.* and *Teodoro de la Cruz v. Silverio Corpuz, et al*.[42] made a factual finding that the land was in the exclusive possession of Angel Madrid, the homestead applicant in 1947. This notwithstanding, and regardless of whether respondent entered the lot in 1946 or in 1954, the application of laches, as stated above, should be determined in accordance with the circumstances present in a particular case.

The cases cited by the Court of Appeals are not on all fours with the case on hand. The case of *Ching v. Court of Appeals* involves a landowner's property which was wrongfully or erroneously registered in another's name. In *Caragay-Layno v. Court of Appeals*, the issue was the fraudulent or mistaken inclusion of property in a certificate of title. In *Heirs of Batiog Lacamen v. Heirs of Laruan*, the subject matter was the sale of land without the required approval of the executive authority. The case of *Tambot v. Court of Appeals* likewise involves a conveyance of land *via* a deed of sale. In *Wright, Jr. v. Lepanto Consolidated Mining Co.*, what was questioned was the acquisition and ownership of mining claims which were covered by reconstituted certificates of title. In *Vda. de Delima v. Tio*, what was questioned was the selling by a husband of the wife's paraphernal property without the latter's consent.

In all these cases, the parties in possession of the properties under litigation had titles thereto or had documents showing

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[39] G.R. No. 462238, 22 January 1990, 181 SCRA 202.

[40] G.R. No. L-18904, 11 July 1964, 11 SCRA 508.

[41] G.R. No. L-27181, 30 April 1970, 32 SCRA 516.

[42] *Supra*, Note 34; *Rollo*, p. 58.

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that the ownership over these properties was transferred to them. In the case before us, respondent is not the registered owner of the lot she is occupying and she has failed to adduce evidence showing that the property has been conveyed to her by the petitioners or by the original owner thereof. Respondent has no evidence of her ownership over the lot where her house is erected. Her allegation[43] that the lot was awarded or given through a resolution by the Municipal Government of San Mateo, Isabela, cannot be given credence. She did not even produce a copy of said resolution. Even if respondent were able to produce a copy thereof, the same will be of no use since it has been judicially nullified. Furthermore, as admitted by respondent, she and her husband tried to procure ownership papers over the land, but to no avail.[44] Petitioners, on the other hand, have shown that the courts have upheld their ownership over Lot 7035-A, and have ruled in their favor and against the reversion case[45] filed by the Republic and on the case for reconveyance[46] of Lot 7035-A filed by the Municipality of San Mateo, Isabela.

We are not unmindful of the Tax Declarations[47] held by respondent but same are not proofs of ownership. A tax declaration does not prove ownership. It is merely an *indicium* of a claim of ownership.[48] Payment of taxes is not proof of ownership, it is, at best, an *indicium* of possession in the concept of ownership.[49] Neither tax receipts nor declaration of ownership for taxation purposes are evidence of ownership or of the

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[43] Records, p. 6; TSN, 21 July 1988, pp. 23-24.

[44] TSN, 07 December 1990, p. 7.

[45] *Supra*, Note 3.

[46] Exh. "B", Records, pp. 37-49.

[47] Exhs. 1 and 2; Records, pp. 70-71.

[48] *Municipality of Antipolo v. Zapanta*, G.R. No. L-65334, 26 December 1984, 133 SCRA 820, 825.

[49] *Arambulo v. Court of Appeals*, G.R. No. 120166, 03 August 1998, 293 SCRA 567, 576.

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right to possess realty when not supported by other effective proofs.[50]

An examination of the tax declarations reveals that the property covered is not even specified and described with particularity — the exact location and borders were not mentioned. Respondent utterly failed to show her ownership of the land in question. In fact, the RTC and the Court of Appeals have declared that the land being occupied by respondent is within the land registered in the names of petitioners.[51] With this finding, respondent's claim that the land she is occupying is different from the land being claimed by petitioners completely crumbles. Thus, it is clear that respondent, without any authority or right, is occupying petitioners' land.

Having no title or document to overcome petitioners' ownership over the land in question, respondent is therefore an intruder or squatter whose occupation of the land is merely being tolerated. A squatter has no possessory rights over the land intruded upon.[52] As such, her occupancy of the land is only at the owners' sufferance, her acts are merely tolerated and cannot affect the owners' possession. She is necessarily bound to an implied promise that she will vacate upon demand.[53]

Respondent argues that petitioners, despite all the opportunity they had to implead respondent in the cases they filed in 1956 against those occupying Lot 7035-A, deliberately ignored and failed to do so. In doing so, petitioners slept on their rights and practically allowed laches to set in.

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[50] *Elumbaring v. Elumbaring*, G.R. No. 4000, 05 January 1909, 12 Phil. 384, 388-389.

[51] See Exh. "D"; Records, p. 57.

[52] *Pendot v. Court of Appeals*, G.R. No. 49022, 12 April 1989, 172 SCRA 20, 29, citing *Astudillo v. Board of Directors of PHHC*, G.R. No. L-28066, 22 September 1976, 73 SCRA 15, 19.

[53] *Banez v. Court of Appeals*, G.R. No. L-30351, 11 September 1974, 59 SCRA 15, 22.

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We find this feeble. Assuming for the sake of argument that respondent already occupied the lot in question in 1956, we cannot put all the blame on petitioners if respondent and her husband were not impleaded. It must be remembered that there were many people who occupied the subject land. If petitioners committed an oversight in not impleading respondent, she, having an interest on the land, should have intervened in the cases just like what the other occupants did. This, she did not do. It is simply impossible for her not to know that there were on-going court cases involving the land she is occupying. She testified that the lot she is occupying is bounded on the east by the lot of one Wenceslao Urmaneta.[54] As can be gleaned from the decision of the Court of Appeals in the consolidated cases[55] of *Republic of the Philippines v. Marita Madrid, et al.,* and *Teodoro de la Cruz v. Silverio Corpuz, et al.*, this Urmaneta was one of the defendants in the *accion publiciana* case and was an intervenor in the reversion case filed by the Republic. Contrary to the posture of an adjacent neighbor, respondent exhibited a lethargic stance. Her failure to join and to get involved in the proceedings in order to protect her rights, if there were any, over the land shows her apathy on the matter. This lack of concern and inaction on her part show that she failed to protect any right she had on the land. The laches of one nullifies the laches of the other. One who seeks equity must himself be deserving of equity.[56] While all the people around her were fighting tooth and nail over Lot 7035-A, respondent simply watched on the sidelines, oblivious of what the courts will pronounce on the matter. Acting the way she did, she does not deserve equity.

This Court has ruled that unless there are intervening rights of third persons which may be affected or prejudiced by a decision directing the return of the lot to petitioners, the equitable

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[54] TSN, 07 December 1990, p. 3.

[55] *Supra*, Note 34.

[56] *Jandusay v. Court of Appeals*, G.R. No. 48714, 18 April 1989, 172 SCRA 376, 387.

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defense of laches will not apply as against the registered owners.[57] In the case at bar, there being no intervening third persons whose rights will be affected or prejudiced if possession of the subject lot is restored to the petitioners, the return of the same is in order.

Under the circumstances obtaining in this case, the equitable doctrine of laches shall not apply.

WHEREFORE, the petition for review is *GRANTED*. The decision of the Court of Appeals dated 12 July 2000 is *REVERSED* and *SET ASIDE*, and the decision of the Regional Trial Court dated 08 January 1991 is *REINSTATED*. Costs against the respondent.

SO ORDERED.

Puno (Chairman), Austria-Martinez, Callejo, Sr., and *Tinga, JJ.,* concur.

SECOND DIVISION

[G.R. No. 144740. August 31, 2005]

SECURITY PACIFIC ASSURANCE CORPORATION, *petitioner, vs.* **THE HON. AMELIA TRIA-INFANTE, In her official capacity as Presiding Judge, Regional Trial Court, Branch 9, Manila; THE PEOPLE OF THE PHILIPPINES, represented by Spouses REYNALDO and ZENAIDA ANZURES; and REYNALDO R. BUAZON, In his official capacity as Sheriff IV, Regional Trial Court, Branch 9, Manila,** *respondents*.

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[57] *Cimafranca v. Intermediate Appellate Court*, G.R. No. 68687, 31 January 1987, 147 SCRA 611, 621; *Javier v. Concepcion, Jr.*, G.R. No. L-36566, 7 November 1979, 94 SCRA 213, 223.