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Accordingly, plaintiff is also guilty of laches. Such inaction on their part for an unreasonable and unexplained length of time amounts to laches. It has been held that plaintiffs cannot avail of the nullity of the conveyance as an excuse to avoid the consequences of their own unjustified inaction and as a basis for the assertion of a right on which they had slept for so long, especially since such right is not expressly conferred by the law in the first place (*Pabalate v. Echarri, Jr.* L-2435, Feb. 22, 1971, 37 SCRA 518; *Tijam vs. Sibonghanoy*, L-21450, April 15, 1968, 32 SCRA 29; *Arcuino vs. Aparis*, 22 SCRA 417).

Courts cannot look with favor at parties, who by their silence, delay and inaction, knowingly induce another to spend time, effort, and expense in cultivating the land, paying taxes and make improvements thereon for an unreasonable period only to spring in ambush and claim title when the possessor's efforts and the rise of land values offer an opportunity to make easy profit at their own expense (*De Lucas vs. Gamponia*, 100 Phil. 277; *Mayano vs. Tungkaling*, CA 49562-R, Dec. 29, 1978)."[16]

WHEREFORE, the petition is DENIED for lack of merit with costs against petitioners.

SO ORDERED.

Narvasa (Chairman), Cruz, Griño-Aquino, and *Medialdea, JJ.*, concur.

FIRST DIVISION

[G.R. Nos. 80294-95. September 21, 1988]

CATHOLIC VICAR APOSTOLIC OF THE MOUNTAIN PROVINCE, *petitioner, vs.* **COURT OF APPEALS, HEIRS OF EGMIDIO OCTAVIANO AND JUAN VALDEZ,** *respondents.*

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[16] Pages, 33 and 34, *Rollo.*

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SYLLABUS

REMEDIAL LAW; JUDGMENT; *RES JUDICATA*; PRESENT.—The findings of the trial court affirmed by the appellate court that the private respondent's predecessor were possessors of the lots in dispute with claim of ownership from 1906 to 1951 while the petitioner was in possession as borrower in *commodatum* up to 1951 are *res judicata* between the parties.

APPEARANCES OF COUNSEL

Valdez, Ereso, Polido & Associates for petitioner.

Claustro, Claustro, Claustro Law Office collaborating counsel for petitioner.

Jaime G. de Leon for the Heirs of Egmidio Octaviano.

Cabato Law Office for the Heirs of Juan Valdez.

D E C I S I O N

GANCAYCO, *J.*:

The principal issue in this case is whether or not a decision of the Court of Appeals promulgated a long time ago can properly be considered *res judicata* by respondent Court of Appeals in the present two cases between petitioner and two private respondents.

Petitioner questions as allegedly erroneous the Decision dated August 31, 1987 of the Ninth Division of Respondent Court of Appeals[1] in CA-G.R. No. 05148 [Civil Case No. 3607 (419)] and CA-G.R. No. 05149 [Civil Case No. 3655 (429)], both for Recovery of Possession, which affirmed the Decision of the Honorable Nicodemo T. Ferrer, Judge of the Regional Trial Court of Baguio and Benguet in Civil Case No. 3607 (419) and Civil Case No. 3655 (429), with the dispositive portion as follows:

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[1] Associate Justices Conrado T. Limcaoco, Jose C. Campos, Jr. and Gloria C. Paras.

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"WHEREFORE, Judgment is hereby rendered ordering the defendant, Catholic Vicar Apostolic of the Mountain Province to return and surrender Lot 2 of Plan Psu-194357 to the plaintiffs, Heirs of Juan Valdez, and Lot 3 of the same Plan to the other set of plaintiffs, the Heirs of Egmidio Octaviano (Leonardo Valdez, *et al.*). For lack or insufficiency of evidence, the plaintiffs' claim or damages is hereby denied. Said defendant is ordered to pay costs." (p 36, *Rollo*)

Respondent Court of Appeals, in affirming the trial court's decision, sustained the trial court's conclusions that the Decision of the Court of Appeals, dated May 4, 1977 in CA-G.R. No. 38830-R, in the two cases affirmed by the Supreme Court, touched on the ownership of lots 2 and 3 in question; that the two lots were possessed by the predecessors-in-interest of private respondents under claim of ownership in good faith from 1906 to 1951; that petitioner had been in possession of the same lots as bailee in *commodatum* up to 1951, when petitioner repudiated the trust and when it applied for registration in 1962; that petitioner had just been in possession as owner for eleven years, hence there is no possibility of acquisitive prescription which requires 10 years possession with just title and 30 years of possession without; that the principle of *res judicata* on these findings by the Court of Appeals will bar a reopening of these questions of fact; and that those facts may no longer be altered.

Petitioner's motion for reconsideration of the respondent appellate court's Decision in the two aforementioned cases (CA-G.R. No. CV-05418 and 05419) was denied.

The facts and background of the cases as narrated by the trial court are as follows —

"x x x. The documents and records presented reveal that the whole controversy started when the defendant Catholic Vicar Apostolic of the Mountain Province (VICAR for brevity) filed with the Court of First Instance of Baguio-Benguet, on September 5, 1962 an application for registration of title over Lots 1, 2, 3, and 4 in Psu-194357, situated at Poblacion Central, La Trinidad, Benguet, docketed as LRC N-91, said Lots being the sites of the Catholic Church building, convents, high school building, school gymnasium, school dormitories, social hall, stonewalls, *etc.* On March 22, 1963 the Heirs

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of Juan Valdez and the Heirs of Egmidio Octaviano filed their Answer/ Opposition on Lots Nos. 2 and 3, respectively, asserting ownership and title thereto. After trial on the merits, the land registration court promulgated its Decision, dated November 17, 1965, confirming the registrable title of VICAR to Lots 1, 2, 3, and 4.

The Heirs of Juan Valdez (plaintiffs in the herein Civil Case No. 3655) and the Heirs of Egmidio Octaviano (plaintiffs in the herein Civil Case No. 3607) appealed the decision of the land registration court to the then Court of Appeals, docketed as CA-G.R. No. 38830-R. The Court of Appeals rendered its decision, dated May 9, 1977, reversing the decision of the land registration court and dismissing the VICAR's application as to Lots 2 and 3, the lots claimed by the two sets of oppositors in the land registration case (and two sets of plaintiffs in the two cases now at bar), the first lot being presently occupied by the convent and the second by the women's dormitory and the sisters' convent.

On May 9, 1977, the Heirs of Octaviano filed a motion for reconsideration praying the Court of Appeals to order the registration of Lot 3 in the names of the Heirs of Egmidio Octaviano, and on May 17, 1977, the Heirs of Juan Valdez and Pacita Valdez filed their motion for reconsideration praying that both Lots 2 and 3 be ordered registered in the names of the Heirs of Juan Valdez and Pacita Valdez. On August 12, 1977, the Court of Appeals denied the motion for reconsideration filed by the Heirs of Juan Valdez on the ground that there was "no sufficient merit to justify reconsideration one way or the other x x x," and likewise denied that of the Heirs of Egmidio Octaviano.

Thereupon, the VICAR filed with the Supreme Court a petition for review on *certiorari* of the decision of the Court of Appeals dismissing his (its) application for registration of Lots 2 and 3, docketed as G.R. No. L-46832, entitled, '*Catholic Vicar Apostolic of the Mountain Province vs. Court of Appeals and Heirs of Egmidio Octaviano.*'

From the denial by the Court of Appeals of their motion for reconsideration, the Heirs of Juan Valdez and Pacita Valdez, on September 8, 1977, filed with the Supreme Court a petition for review, docketed as G.R. No. L-46872, entitled, '*Heirs of Juan Valdez and Pacita Valdez vs. Court of Appeals, Vicar, Heirs of Egmidio Octaviano and Amable O. Valdez.*'

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On January 13, 1978, the Supreme Court denied in a minute resolution both petitions (of VICAR on the one hand and the Heirs of Juan Valdez and Pacita Valdez on the other) for lack of merit. Upon the finality of both Supreme Court resolutions in G.R. No. L-46832 and G.R. No. L-46872, the Heirs of Octaviano filed with the then Court of First Instance of Baguio, Branch II, a Motion For Execution of Judgment praying that the Heirs of Octaviano be placed in possession of Lot 3. The Court, presided over by Hon. Salvador J. Valdez, on December 7, 1978, denied the motion on the ground that the Court of Appeals decision in CA-G.R. No. 38870 did not grant the Heirs of Octaviano any affirmative relief.

On February 7, 1979, the Heirs of Octaviano filed with the Court of Appeals a petition for *certiorari* and *mandamus*, docketed as CA-G.R. No. 08890-R, entitled '*Heirs of Egmidio Octaviano vs. Hon. Salvador J. Valdez, Jr. and Vicar.*' In its decision dated May 16, 1979, the Court of Appeals dismissed the petition.

It was at that stage that the instant cases were filed. The Heirs of Egmidio Octaviano filed Civil Case No. 3607 (419) on July 24, 1979, for recovery of possession of Lot 3; and the Heirs of Juan Valdez filed Civil Case No. 3655 (429) on September 24, 1979, likewise for recovery of possession of Lot 2 (Decision, pp. 199-201, Orig. Rec.).

"In Civil Case No. 3607 (419) trial was held. The plaintiffs Heirs of Egmidio Octaviano presented one (1) witness, Fructuoso Valdez, who testified on the alleged ownership of the land in question (Lot 3) by their predecessor-in-interest, Egmidio Octaviano (Exh. C); his written demand (Exh. B - B-4) to defendant Vicar for the return of the land to them; and the reasonable rentals for the use of the land at ₱10,000.00 per month. On the other hand, defendant Vicar presented the Register of Deeds for the Province of Benguet, Atty. Nicanor Sison, who testified that the land in question is not covered by any title in the name of Egmidio Octaviano or any of the plaintiffs (Exh. 8). The defendant dispensed with the testimony of Mons. William Brasseur when the plaintiffs admitted that the witness if called to the witness stand, would testify that defendant Vicar has been in possession of Lot 3 for seventy-five (75) years continuously and peacefully and has constructed permanent structures thereon.

"In Civil Case No. 3655, the parties admitting that the material facts are not in dispute, submitted the case on the sole issue of whether or not the decisions of the Court of Appeals and the Supreme Court

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touching on the ownership of Lot 2, which in effect declared the plaintiffs the owners of the land constitute *res judicata.*

"In these two cases, the plaintiffs argue that the defendant Vicar is barred from setting up the defense of ownership and/or long and continuous possession of the two lots in question since this is barred by prior judgment of the Court of Appeals in CA-G.R. No. 038830-R under the principle of *res judicata.* Plaintiffs contend that the question of possession and ownership have already been determined by the Court of Appeals (Exh. C, Decision, CA-G.R. No. 038830-R) and affirmed by the Supreme Court (Exh. 1, Minute Resolution of the Supreme Court). On his part, defendant Vicar maintains that the principle of *res judicata* would not prevent them from litigating the issues of long possession and ownership because the dispositive portion of the prior judgment in CA-G.R. No. 038830-R merely dismissed their application for registration and titling of lots 2 and 3. Defendant Vicar contends that only the dispositive portion of the decision, and not its body, is the controlling pronouncement of the Court of Appeals."[2]

The alleged errors committed by respondent Court of Appeals according to petitioner are as follows:

1. ERROR IN APPLYING LAW OF THE CASE AND *RES JUDICATA*;
2. ERROR IN FINDING THAT THE TRIAL COURT RULED THAT LOTS 2 AND 3 WERE ACQUIRED BY PURCHASE BUT WITHOUT DOCUMENTARY EVIDENCE PRESENTED;
3. ERROR IN FINDING THAT PETITIONER'S CLAIM IT PURCHASED LOTS 2 AND 3 FROM VALDEZ AND OCTAVIANO WAS AN IMPLIED ADMISSION THAT THE FORMER OWNERS WERE VALDEZ AND OCTAVIANO;
4. ERROR IN FINDING THAT IT WAS PREDECESSORS OF PRIVATE RESPONDENTS WHO WERE IN POSSESSION OF LOTS 2 AND 3 AT LEAST FROM 1906, AND NOT PETITIONER;
5. ERROR IN FINDING THAT VALDEZ AND OCTAVIANO HAD FREE PATENT APPLICATIONS AND THE

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[2] Decision in CA-G.R. No. CV Nos. 05148 and 05149 dated August 31, 1987; pp. 112-117, *Rollo.*

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PREDECESSORS OF PRIVATE RESPONDENTS ALREADY HAD FREE PATENT APPLICATIONS SINCE 1906;

6. ERROR IN FINDING THAT PETITIONER DECLARED LOTS 2 AND 3 ONLY IN 1951 AND JUST TITLE IS A PRIME NECESSITY UNDER ARTICLE 1134 IN RELATION TO ART. 1129 OF THE CIVIL CODE FOR ORDINARY ACQUISITIVE PRESCRIPTION OF 10 YEARS;

7. ERROR IN FINDING THAT THE DECISION OF THE COURT OF APPEALS IN CA G.R. NO. 038830 WAS AFFIRMED BY THE SUPREME COURT;

8. ERROR IN FINDING THAT THE DECISION IN CA G.R. NO. 038830 TOUCHED ON OWNERSHIP OF LOTS 2 AND 3 AND THAT PRIVATE RESPONDENTS AND THEIR PREDECESSORS WERE IN POSSESSION OF LOTS 2 AND 3 UNDER A CLAIM OF OWNERSHIP IN GOOD FAITH FROM 1906 TO 1951;

9. ERROR IN FINDING THAT PETITIONER HAD BEEN IN POSSESSION OF LOTS 2 AND 3 MERELY AS BAILEE (BORROWER) IN *COMMODATUM*, A GRATUITOUS LOAN FOR USE;

10. ERROR IN FINDING THAT PETITIONER IS A POSSESSOR AND BUILDER IN GOOD FAITH WITHOUT RIGHTS OF RETENTION AND REIMBURSEMENT AND IS BARRED BY THE FINALITY AND CONCLUSIVENESS OF THE DECISION IN CA G.R. NO. 033830.[3]

The petition is bereft of merit.

Petitioner questions the ruling of respondent Court of Appeals in CA-G.R. Nos. 05148 and 05149, when it clearly held that it was in agreement with the findings of the trial court that the Decision of the Court of Appeals dated May 4, 1977 in CA-G.R. No. 38830-R, on the question of ownership of Lots 2 and 3, declared that the said Court of Appeals Decision (CA-G.R. No. 38830-R) did not positively declare private respondents as owners of the land, neither was it declared that they were not owners of the land, but it held that the predecessors of private

[3] pp. 5-15, Petition; pp. 6-17, *Rollo*.

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respondents were possessors of Lots 2 and 3, with claim of ownership in good faith from 1906 to 1951. Petitioner was in possession as borrower in *commodatum* up to 1951, when it repudiated the trust by declaring the properties in its name for taxation purposes. When petitioner applied for registration of Lots 2 and 3 in 1962, it had been in possession in concept of owner only for eleven years. Ordinary acquisitive prescription requires possession for ten years, but always with just title. Extraordinary acquisitive prescription requires 30 years.[4]

On the above findings of facts supported by evidence and evaluated by the Court of Appeals in CA-G.R. No. 38830-R, affirmed by this Court, We see no error in respondent appellate court's ruling that said findings are *res judicata* between the parties. They can no longer be altered by presentation of evidence because those issues were resolved with finality a long time ago. To ignore the principle of *res judicata* would be to open the door to endless litigations by continuous determination of issues without end.

An examination of the Court of Appeals Decision dated May 4, 1977, First Division[5] in CA-G.R. No. 38830-R, shows that it reversed the trial court's Decision[6] finding petitioner to be entitled to register the lands in question under its ownership, on its evaluation of evidence and conclusion of facts.

The Court of Appeals found that petitioner did not meet the requirement of 30 years possession for acquisitive prescription over Lots 2 and 3. Neither did it satisfy the requirement of 10 years possession for ordinary acquisitive prescription because of the absence of just title. The appellate court did not believe the findings of the trial court that Lot 2 was acquired from Juan Valdez by purchase and Lot 3 was acquired also by purchase

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[4] Arts. 1134 and 1129, Civil Code.

[5] Presiding Justice Magno S. Gatmaitan, Associate Justices Pacifico P. de Castro and Samuel Reyes.

[6] Land Reg. No. N91, LRC Rec. No. N-22991 of the then C.F.I. of Baguio City.

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from Egmidio Octaviano by petitioner Vicar because there was absolutely no documentary evidence to support the same and the alleged purchases were never mentioned in the application for registration.

By the very admission of petitioner Vicar, Lots 2 and 3 were owned by Valdez and Octaviano. Both Valdez and Octaviano had Free Patent Application for those lots since 1906. The predecessors of private respondents, not petitioner Vicar, were in possession of the questioned lots since 1906.

There is evidence that petitioner Vicar occupied Lots 1 and 4, which are not in question, but not Lots 2 and 3, because the buildings standing thereon were only constructed after liberation in 1945. Petitioner Vicar only declared Lots 2 and 3 for taxation purposes in 1951. The improvements on Lots 1, 2, 3, 4 were paid for by the Bishop but said Bishop was appointed only in 1947, the church was constructed only in 1951 and the new convent only 2 years before the trial in 1963.

When petitioner Vicar was notified of the oppositor's claims, the parish priest offered to buy the lot from Fructuoso Valdez. Lots 2 and 3 were surveyed by request of petitioner Vicar only in 1962.

Private respondents were able to prove that their predecessors' house was borrowed by petitioner Vicar after the church and the convent were destroyed. They never asked for the return of the house, but when they allowed its free use, they became bailors in *commodatum* and the petitioner the bailee. The bailees' failure to return the subject matter of *commodatum* to the bailor did not mean adverse possession on the part of the borrower. The bailee held in trust the property subject matter of *commodatum*. The adverse claim of petitioner came only in 1951 when it declared the lots for taxation purposes. The action of petitioner Vicar by such adverse claim could not ripen into title by way of ordinary acquisitive prescription because of the absence of just title.

The Court of Appeals found that the predecessors-in-interest and private respondents were possessors under claim of

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ownership in good faith from 1906; that petitioner Vicar was only a bailee in *commodatum*; and that the adverse claim and repudiation of trust came only in 1951.

We find no reason to disregard or reverse the ruling of the Court of Appeals in CA-G.R. No. 38830-R. Its findings of fact have become incontestible. This Court declined to review said decision, thereby in effect, affirming it. It has become final and executory a long time ago.

Respondent appellate court did not commit any reversible error, much less grave abuse of discretion, when it held that the Decision of the Court of Appeals in CA-G.R. No. 38830-R is governing, under the principle of *res judicata*, hence the rule, in the present cases CA-G.R. No. 05148 and CA-G.R. No. 05149. The facts as supported by evidence established in that decision may no longer be altered.

WHEREFORE AND BY REASON OF THE FOREGOING, this petition is DENIED for lack of merit, the Decision dated Aug. 31, 1987 in CA-G.R. Nos. 05148 and 05149, by respondent Court of Appeals is AFFIRMED, with costs against petitioner.

SO ORDERED.

Narvasa, Cruz, Griño-Aquino, and *Medialdea, JJ.*, concur.