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level of the Provincial Adjudicator to the DARAB. They cannot escape the consequences of a belated appeal caused by the need of their new counsel for more time to study voluminous records and familiarize himself with the case. Moreover, as shown above, petitioner-spouses not only failed to show any persuasive reason why they should be exempted from strictly abiding by the rules when they filed their petition for review in the Court of Appeals beyond the prescribed period. They again disregarded the rules in various ways absent any compelling reason when they filed this petition.

WHEREFORE, the petition is hereby **DISMISSED.**

SO ORDERED.

Sereno, C.J. (Chairperson), Bersamin, Villarama, Jr., and *Reyes, JJ.,* concur.

SECOND DIVISION

[G.R. No. 165014. July 31, 2013]

HEIRS OF ALEJANDRA DELFIN, namely: LEOPOLDO DELFIN (deceased), represented by his spouse, LUZ C. DELFIN, and children, LELANE C. DELFIN and ANASTACIA C. DELFIN, MARCELITO[1] DELFIN, FRANCISCO[2] DELFIN, APOLLO DELFIN, ABRILES DELFIN, LYDIA D. DACULAN, OLIVIA D. CABALLERO, ALEJANDRO DELFIN, JULITO DELFIN, and CANDIDO DELFIN, JR., *petitioners, vs.* **AVELINA RABADON, PACIANO PANOGALING,[3]**

[1] "Marlito" or "Manuelito" in some parts of the records.

[2] "Francisca" in some parts of the records.

[3] "Panugaling" in some parts of the records.

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HILARIA RABADON, PABLO BOQUILLA, CATALINA RABADON, PACIANO RABAYA, FE RABADON, GONZALO DABON, and ROBERTO RABADON, *respondents.*

SYLLABUS

CIVIL LAW; PROPERTY; OWNERSHIP; DECREE OF REGISTRATION BARS ALL CLAIMS AND RIGHTS WHICH AROSE OR MAY HAVE EXISTED PRIOR TO THE DECREE OF REGISTRATION; ORIGINAL CERTIFICATE OF TITLE ISSUED BASED ON THE DECREE OF REGISTRATION SHOULD BE ACCORDED GREATER WEIGHT AS AGAINST THE TAX DECLARATION AND TAX RECEIPTS PRESENTED; CASE AT BAR.— The probative value of petitioners' evidence, which consist of tax declarations and tax receipts, pales in comparison to that of respondents' evidence which consists of a decree of ownership, *i.e.*, Decree No. 98992, under the name of their predecessor-in-interest, Emiliana. While the actual copy of the said decree was lost, the existence of the said decree was actually proven by the LRA certification and the daybook entry. Likewise, the RTC itself observed that it is undisputable that the subject property has been issued Decree No. 98992, for which an original certificate of title was issued to Emiliana. It is an elemental rule that a decree of registration bars all claims and rights which arose or may have existed prior to the decree of registration. By the issuance of the decree, the land is bound and title thereto quieted, subject only to certain exceptions under the property registration decree. In the case of *Ferrer-Lopez v. CA*, the Court ruled that as against an array of proofs consisting of tax declarations and/or tax receipts which are not conclusive evidence of ownership nor proof of the area covered therein, an original certificate of title, which indicates true and legal ownership by the registered owners over the disputed premises, must prevail. Accordingly, respondents' Decree No. 98992 for which an original certificate of title was issued should be accorded greater weight as against the tax declarations and tax receipts presented by petitioners in this case. Besides, tax declarations and tax receipts may only become the basis of a claim for ownership when they are coupled with proof of actual possession of the property. In

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this case, records are bereft of any showing that petitioners, or any of their predecessors-in-interest, have been in actual possession of the subject property prior to 1989 as they claim.

APPEARANCES OF COUNSEL

Cabrera Sipalay Enriquez Mayol Tabon & Felicitas Law Offices for petitioners.

D E C I S I O N

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[4] are the Decision[5] dated February 28, 2001 and Resolution[6] dated August 2, 2004 of the Court of Appeals (CA) in CA-G.R. CV No. 57723 which reversed and set aside the Decision[7] dated June 27, 1997 of the Regional Trial Court of Cebu City, Branch 58 (RTC) in Civil Case No. CEB-14801, ordering petitioners to surrender the ownership and possession of Lot No. 8217, a 4,452 square meter parcel of land situated in Inawayan, Pardo, Cebu City (subject property), in favor of respondents and to render an accounting of the fruits received.

The Facts

On October 19, 1993, respondents filed before the RTC an action to recover the ownership and possession of the subject property from petitioners, seeking as well the payment of damages. Based on their complaint and the testimonies of their witnesses during trial, respondents alleged that: (*a*) the subject property

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[4] *Rollo*, pp. 5-24.

[5] *Id.* at 41-48. Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Romeo A. Brawner and Juan Q. Enriquez, Jr., concurring.

[6] *Id.* at 49-51. Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Edgardo P. Cruz and Juan Q. Enriquez, Jr., concurring.

[7] *Id.* at 25-40. Penned by Judge Jose P. Serrano, Jr.

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was owned by their predecessor-in-interest,[8] Emiliana Bacalso (Emiliana), pursuant to Decree No. 98992;[9] (*b*) while the foregoing decree was lost during the last World War, its existence could still be shown by a certification (LRA certification) issued by the Land Registration Authority (LRA), and a certified copy from page 19 of the daybook of cadastral lots issued by the Register of Deeds (RD) of Cebu City (daybook entry);[10] (*c*) after Emiliana's death, Genaro Rabadon took over the possession of the subject property and upon his death, his children, herein respondents, took over its possession until 1988;[11] (*d*) in 1989, they discovered that the said property was already in the possession of petitioner Alejandra Delfin (Alejandra) and some of her children and their families already constructed their houses thereon;[12] and (*e*) when they confronted Alejandra, she claimed that petitioners' predecessor-in-interest, Remegio Navares (Remegio) previously bought the said property; however, when they asked to see a copy of the deed of sale, she could not produce the same.[13]

For their part, petitioners countered that: (*a*) they inherited the subject property from their predecessor-in-interest, Remegio, who bought the foregoing even before the second World War; (*b*) the subject property was issued a certificate of title in the name of Remegio, however, the said title was lost;[14] (*c*) Alejandra

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[8] *Id.* at 27. During trial, respondents presented, as their witness, respondent Paciano Panogaling who testified, *inter alia*, that the husband of Emiliana was Dionisio Rabadon and one of the children of the said couple was Genaro Rabadon who, in turn, was the father of Paciano's wife, respondent Avelina Rabadon, as well as of the other respondents Fe, Catalina, Hilaria and Roberto, all surnamed Rabadon.

[9] *Id.* at 27, 30, 46 and 184. The proper entry appears to be Decree No. 98992 and not 988933 as shown in other parts of the records.

[10] *Id.* at 25.

[11] *Id.* at 28.

[12] *Id.*

[13] *Id.* at 25 and 28.

[14] *Id.* at 31-32. During trial, respondents presented, as their witnesses, Jovito and Celestino Navares who both testified, *inter alia*, that Remegio

inherited the subject property by virtue of an extra-judicial settlement and after its execution, she and her children, petitioners Leopoldo, Francisco and Marcelito Delfin, took over the possession of the same;[15] and (*d*) the subject property had been declared by them for taxation purposes and they paid the corresponding realty taxes due thereon.[16] By way of affirmative defense, petitioners further contended, *inter alia*, that respondents' demands were already barred by *laches*, given that they took about 55 years to file their complaint.[17]

The RTC Ruling

In a Decision[18] dated June 27, 1997, the RTC ruled that petitioners had the better right to the ownership and possession of the subject property. It based its conclusion on the fact that the subject property was declared by petitioners for taxation purposes and that they paid the realty taxes due thereon. It held that while tax declarations and tax receipts are not incontrovertible evidence of ownership, they become proof of ownership when accompanied by proof of actual possession such as petitioners' continuous declaration of the subject property for taxation purposes, their payments of the corresponding taxes, and the construction of their respective houses thereon. It also noted that Alejandra filed a petition for the reconstitution of Remegio's title, *i.e.*, Transfer Certificate of Title (TCT) No. 20910 in LRC No. 9469 before the Regional Trial Court of Cebu City, Branch 16.[19]

On the other hand, the RTC observed that while it is undisputed that the subject property has been issued Decree No. 98992

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bought the subject property and a certificate of title was issued in the latter's favor.

[15] *Id.* at 26-27.

[16] *Id.* at 26 and 31-32.

[17] *Id.* at 27.

[18] *Id.* at 25-40

[19] *Id.* at 39 and 45.

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and for which an original certificate of title was issued to Emiliana, respondents have not shown any efforts to locate the said title nor to reconstitute the same. Neither have they attempted to declare the subject property for taxation purposes nor have they shown any proof that they paid the realty taxes due thereon, thereby negating their claim of ownership.[20] Moreover, the RTC pronounced that respondents were guilty of *laches*.[21] Aggrieved, respondents elevated the matter on appeal.

The CA Ruling

In a Decision[22] dated February 28, 2001, the CA reversed the RTC's pronouncement, holding that respondents had the better right of ownership and possession over the subject property. It observed that, apart from the self-serving testimonies of some of the petitioners, the only evidence adduced by them in support of their claim are mere copies of tax declarations and tax receipts over the subject property and a Report dated July 14, 1993 of one Director Silverio G. Perez of the Department of Registration of the LRA (LRA Report) to the effect that the property in question is covered by TCT No. 20910. The CA stressed that tax declarations and tax receipts are not conclusive evidence of ownership or of the right to possess the land when not supported by other evidence of actual possession which remained wanting in this case. In this relation, it found that the LRA Report could not qualify as proof of possession since the report failed to mention that the subject property actually belongs to petitioners' predecessor-in-interest. In fact, the LRA Report even affirmed that the subject property was covered by a decree issued to Emiliana and her husband, Dionisio Rabadon. Further, when TCT No. 20910 was sought to be reconstituted by Alejandra, one Juanito Montenegro (RD representative) of the Cebu City RD testified that the said title does not cover the subject property and that the Cebu City RD has no record available for Lot

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[20] *Id.*

[21] *Id.* at 39-40.

[22] *Id.* at 41-48.

No. 8217. These findings led to the dismissal of Alejandra's petition for reconstitution and considering these circumstances, the CA stated that the LRA Report is inferior to the testimony of the RD representative.[23]

Also, the CA observed that petitioners offered no credible explanation as to why the subject property was declared in the name of their predecessor-in-interest, Remegio, and that the tax declarations were only allowed on the supposition that the subject property was covered by TCT No. 20910 in the name of Remegio, which entry was, as earlier mentioned, shown to be erroneous.[24] Anent the issue of prescription, the CA pronounced that petitioners were unable to prove that they have been in possession of the subject property since 1938. Neither are respondents guilty of *laches* since there is no evidence on record which would show that they omitted to assert their claim over the subject property.[25] Respondents were, however, ordered to reimburse petitioners of the taxes paid by them during the period of their possession, including legal interest. Dissatisfied, petitioners moved for reconsideration which was denied in a Resolution[26] dated August 2, 2004. Hence, the instant petition.

The Issue Before the Court

The essential issue in this case is whether or not respondents have the better right to the ownership and possession of the subject property.

The Court's Ruling

The petition is bereft of merit.

At the outset, it bears noting that the Court may proceed to evaluate the evidence on record even on a Rule 45 petition for

[23] *Id.* at 44-45.

[24] *Id.* at 45.

[25] *Id.* at 46-47.

[26] *Id.* at 49-51.

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review in the event that the findings of the CA are contrary to that of the RTC,[27] as in this case.

After such evaluation, the Court finds that the respondents have shown a better right to the ownership and possession of the subject property.

As may be gleaned from the records, the probative value of petitioners' evidence, which consist of tax declarations and tax receipts, pales in comparison to that of respondents' evidence which consists of a decree of ownership, *i.e.*, Decree No. 98992, under the name of their predecessor-in-interest, Emiliana. While the actual copy of the said decree was lost, the existence of the said decree was actually proven by the LRA certification and the daybook entry. Likewise, the RTC itself observed that it is undisputable that the subject property has been issued Decree No. 98992, for which an original certificate of title was issued to Emiliana.[28] It is an elemental rule that a decree of registration bars all claims and rights which arose or may have existed prior to the decree of registration. By the issuance of the decree, the land is bound and title thereto quieted, subject only to certain exceptions[29] under the property registration decree.[30] In the case of *Ferrer-Lopez v. CA*,[31] the Court ruled that as against an array of proofs consisting of tax declarations and/or tax receipts which are not conclusive evidence of ownership nor proof of the area covered therein, an original certificate of title, which indicates true and legal ownership by the registered owners over the disputed premises, must prevail. Accordingly, respondents'

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[27] See *Decaleng v. Bishop of the Missionary District of the Philippine Islands of Protestant Episcopal Church in the United States of America*, G.R. No. 171209, June 27, 2012, 675 SCRA 145, 160-161.

[28] *Rollo*, p. 39.

[29] See Section 39 of Act 496, now Section 44 of Presidential Decree No. (PD) 1529, as cited in *Cureg v. Intermediate Appellate Court (4th Civil Cases Div.),* 258 Phil. 104. See also Section 31of PD 1529.

[30] *Cureg v. Intermediate Appellate Court, id.* at 111.

[31] 234 Phil. 388, 396-397 (1987), cited in *Cureg v. Intermediate Appellate Court, id.* at 110-111.

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Decree No. 98992 for which an original certificate of title was issued should be accorded greater weight as against the tax declarations and tax receipts presented by petitioners in this case.

Besides, tax declarations and tax receipts may only become the basis of a claim for ownership when they are coupled with proof of actual possession of the property.[32] In this case, records are bereft of any showing that petitioners, or any of their predecessors-in-interest, have been in actual possession of the subject property prior to 1989 as they claim. The tax declarations and tax receipts are insufficient to prove their proffered theory that their predecessor-in-interest, Remegio, was the lawful possessor and owner of the foregoing property even before the last World War. In fact, petitioners altogether failed to prove the legitimacy of Remegio's possession and ownership since they failed to present the pertinent deed of sale or any other evidence of the latter's title. On the contrary, aside from the LRA certification and daybook entry which prove the existence of Decree No. 98992, respondents' possession of the subject property prior to petitioners' entry in 1989 was attested to by one Marcelina Tabora[33] who, as the CA notes, appears to be an unbiased witness.[34] All told, by sheer preponderance of evidence, respondents have shown a better right to the ownership and possession of the subject property and hence, must be awarded the same.

As to the issue of *laches*, suffice it to state that petitioners were not able to adduce any sufficient evidence to demonstrate

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[32] See *Cequeña v. Bolante*, G.R. No. 137944, April 6, 2000, 330 SCRA 216, 226-227.

[33] *Rollo*, p. 29-30. During trial, Marcelina Tabora testified, *inter alia*, that: (*a*) during the lifetime of Emiliana, she was the one who bought the fruits of the coconut trees on the subject property; (*b*) since the time she was buying the products of the subject property, Emiliana was in possession of the same; (*c*) after Emiliana's death, the latter was succeeded by Genaro Rabadon and later his children, who sold to her the fruits until 1985; and (*d*) during the time when she was gathering the fruits, no one ever objected to what she was doing.

[34] *Id.* at 46.

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that respondents unduly slept on their rights for an unreasonable length of time. Quite the contrary, records reveal that respondents and their predecessors-in-interest have been in possession of the subject property since the 1950's and that they filed their complaint on October 19, 1993, which is only four years removed from the time petitioners entered the property in 1989.[35] As such, *laches* does not exist.

In view of the pronouncements made herein, the Court deems it unnecessary to delve on the other ancillary issues in this case.

WHEREFORE, the petition is **DENIED**. Accordingly, the Decision dated February 28, 2001 and Resolution dated August 2, 2004 of the Court of Appeals in CA-G.R. CV No. 57723 are hereby **AFFIRMED**.

SO ORDERED.

Carpio (Chairperson), Brion, del Castillo, and *Perez, JJ.,* concur.

THIRD DIVISION

[G.R. No. 170677. July 31, 2013]

VSD REALTY & DEVELOPMENT CORPORATION, *petitioner, vs.* **UNIWIDE SALES, INC. and DOLORES BAELLO TEJADA,** *respondents.*

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[35] Jurisprudence dictates that "[*l*]*aches* is the failure of 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, or to assert a right within reasonable time, warranting a presumption that the party entitled thereto has either abandoned it or declined to assert it." (*Velez, Sr. v. Demetrio*, G.R. No. 128576, August 13, 2002, 387 SCRA 232.)