



Republic of the Philippines
 Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

**HEIRS OF ELISEO BAGAYGAY,
 namely: ANECITA P. BAGAYGAY,
 ELADIO BAGAYGAY, INOCENCIO
 BAGAYGAY, and MARY MAY
 BAGAYGAY**

G.R. No. 212126

Present:

Petitioners,

PERLAS-BERNABE, SAJ.,
Chairperson,

- versus -

**HERNANDO,
 INTING,
 GAERLAN, and
 ROSARIO,* JJ.**

**HEIRS OF ANASTACIO
 PACIENTE, namely:**

**MEREGILDO PACIENTE,
 ADELADA P. TUAZON, CECILIA
 P. KWAN, FRANCIS ROY
 PACIENTE, FERNANDO
 PACIENTE, ARTURO PACIENTE,
 ANASTACIO PACIENTE, JR.,
 MELAGROSA P. MONTEJO,
 MAGDALENA P. ORLIDO,**

Promulgated:

AUG 04 2021

Respondents.

X ----- X

DECISION

HERNANDO, J.:

Before the Court is a Petition for Review on *Certiorari*¹ assailing the July 30, 2013 Decision² and the February 26, 2014 Resolution³ of the Court of Appeals (CA/appellate court) in CA-G.R. CV No. 01415-MIN.

Factual Antecedents:

On October 8, 1953, Anastacio Paciente, Sr. (Anastacio) was granted a homestead patent over a parcel of land with an aggregate area of 7.9315 hectares

* Designated as additional Member per S.O. No. 2835 dated July 15, 2021.

¹ *Rollo*, pp. 12-40.

² *Id.* at 54-68; penned by Associate Justice Edward B. Contreras and concurred in by Associate Justices Edgardo T. Lloren and Marie Christine Azcarraga Jacob.

³ *Id.* at 69-71.

situated in Barrio II, Bañga, Province of Cotabato.⁴ Accordingly, on October 24, 1953, an Original Certificate of Title (OCT) No. V-2423 was issued in his name.⁵

Thereafter, by virtue of a Deed of Sale allegedly executed by Anastacio in favor of his brother-in-law, Eliseo Bagaygay (Eliseo), the latter took possession of the subject land, transferred the title under his name, and later caused the subdivision of the entire land into three (3) lots covered by Transfer Certificates of Title (TCT) Nos. T-34610,⁶ T-34611,⁷ and T-34612.⁸

On March 7, 1989, Anastacio died.⁹

Two years later, on March 18, 1991, Eliseo likewise passed away.¹⁰ His wife, petitioner Anecita P. Bagaygay (Anecita), and his children, namely: petitioners Eladio Bagaygay, Inocencio Bagaygay (Inocencio), Julia Bagaygay (Julia), and Mary Mae Bagaygay took possession of the subject land upon his death.

On December 21, 1999, the heirs of Anastacio, namely: respondents Meregildo Paciente (Meregildo), Adelaida P. Tuazon, Cecilia P. Kwan, Francis Roy Paciente, Fernando Paciente, Arturo Paciente (Arturo), Anastacio Paciente, Jr., Milagros P. Montejo, and Magdalena P. Orlido, filed before the Regional Trial Court (RTC) of Surallah, South Cotabato, an action for Declaration of Nullity of the Deed of Sale and the titles, Recovery of Ownership and Possession, Accounting and Damages,¹¹ docketed as Civil Case No. 679-S, against the heirs of Eliseo (petitioners). Respondents alleged that sometime in 1956, Eliseo, taking advantage of the financial distress of Anastacio, was able to obtain the latter's title and take possession of his land; that despite repeated demands by Anastacio, Eliseo refused to return the title and possession of the land; that Eliseo caused the cancellation of Anastacio's title through a fictitious Deed of Sale; that Anastacio never sold the subject land; and that the said Deed of Sale was likewise void as it was executed during the five (5)-year period of prohibition under Section 118¹² of the Public Land Act.¹³

⁴ Id. at 55. Now part of Barangay Dajay, Surallah, South Cotabato.

⁵ Id. Now part of Barangay Dajay, Surallah, South Cotabato.

⁶ Exhibit "3" of defendants (petitioners).

⁷ Exhibit "4" of defendants (petitioners).

⁸ Exhibit "5" of defendants (petitioners).

⁹ Records, p. 2.

¹⁰ Id.

¹¹ Id. at 1-7.

¹² COMMONWEALTH ACT NO. 141, Sec. 118. Except in favor of the Government or any of its branches, units, or institutions, or legally constituted banking corporations, lands acquired under free patent or homestead provisions shall not be subject to encumbrance or alienation from the date of the approval of the application and for a term of five years from and after the date of issuance of the patent or grant, nor shall they become liable to the satisfaction of any debt contracted prior to the expiration of the said period; but the improvements or crops on the land may be mortgaged or pledged to qualified persons, associations, or corporations. (now amended by Republic Act No. 11231, An Act Removing the Restrictions Imposed on the Registration, Acquisition, Encumbrance, Alienation, Transfer and Conveyance of Land Covered by Free Patents Under Sections 118, 119 and 121 of Commonwealth Act No. 141, Otherwise Known as "The Public Land Act," as amended)

¹³ COMMONWEALTH ACT NO. 141. Approved November 7, 1936.

Petitioners moved to dismiss the complaint on the grounds of failure to state a cause of action, prescription, and laches¹⁴ but the same was unavailing.¹⁵

Petitioners thus filed their Answer¹⁶ with compulsory counterclaim arguing that respondents have no cause of action against them as the subject land was validly purchased by their father. Petitioners likewise raised as defenses prescription and laches.

Trial then ensued.

Since a copy of the Deed of Sale could no longer be found, respondents presented as witness the Registrar of Deeds of Kidapawan, South Cotabato, Atty. Amelia Casabar, to identify in court the Primary Entry Book¹⁷ of the Registry of Deeds of South Cotabato and prove that the Deed of Sale was executed within the 5-year prohibitory period. Eliseo's title, TCT No. T-7244¹⁸ which contains the annotation of the Certification issued by the Register of Deeds of South Cotabato stating that the original copy of OCT No. V-2423 was lost from the files and that as per record of Deed of Sale was executed by Anastacio in favor of Eliseo on November 28, 1956, was also presented as evidence by respondents.

The testimonies of respondents Meregildo and Arturo were likewise offered in evidence.

Respondent Meregildo testified that his father, Anastacio, lent to Eliseo the subject land;¹⁹ that Eliseo and his heirs were in possession of the subject property since 1956;²⁰ that his father sent demand letters asking Eliseo to return the land but the latter refused to vacate the same;²¹ and that it was only on October 24, 1997, when he went to the Register of Deeds to get a copy of his father's title that he learned that it was already cancelled and that a new one was issued under the name of Eliseo.²²

Respondent Arturo corroborated the testimony of respondent Meregildo that Eliseo and his heirs were in possession of the subject land since 1956 and further testified that the subject land only served as guarantee for the loan obtained by his father from Eliseo.²³

¹⁴ Records, pp. 23-32.

¹⁵ Id. at 60-62; Order dated May 23, 2000, penned by Acting Presiding Judge German M. Malcampo.

¹⁶ Id. at 63-89.

¹⁷ Exhibit "B" of plaintiffs (respondents).

¹⁸ Exhibit "C" of plaintiff (respondents).

¹⁹ TSN, June 14, 2001, p. 20.

²⁰ Id. at 20.

²¹ Id. at 20-35 and TSN, September 5, 2002, pp. 3-7.

²² TSN, June 14, 2001, p. 19.

²³ TSN, September 18, 2003, pp. 22-23.

Petitioners, for their part, offered as evidence the testimonies of (1) Anastacia Paciente Dayot (Anastacia), the youngest sister of Anastacio, (2) Julia Bagaygay (Julia), (3) petitioner Inocencio Bagaygay, (4) petitioner Anecita Bagaygay, and (5) Benjamin Dones, a neighbor.

Anastacia, who was 84 years old at the time she took the witness stand, testified that sometime in June 1958, Anastacio and Eliseo asked her to accompany them to Judge Aurelio Rendon (Judge Rendon), who was then a Notary Public, because Anastacio wanted to sell his land to Eliseo.²⁴ She said that Anastacio needed money for the wedding of his son, respondent Meregildo.²⁵

However, when they got there, Judge Rendon told them that the subject land could not be sold because of the five-year prohibition under the Public Land Act, and thus, advised them to return in November.²⁶ On cross-examination, Anastacia maintained that the sale took place in 1958 but when she was asked about her birthday, the birthdates of her children, and the year her husband died, she said she could no longer remember them.²⁷

Julia, who was 60 years old at the time she testified, corroborated the testimony of her Aunt Anastacia that the subject land was sold by her uncle Anastacio to her father in 1958. According to her, she was present when her father and her uncle were conversing about the sale of the land;²⁸ that her uncle needed money because respondent Meregildo was getting married in Iloilo;²⁹ that she was 14 years old at that time the sale took place;³⁰ and that since then, they have been in possession of the land and have been religiously paying the real property taxes over the same.³¹

She further testified that they could no longer present the Deed of Sale because after her father passed away, all his documents, which included the Deed of Sale, were destroyed when a fire gutted their house on March 31, 1994.³² However, she said that before it was destroyed by fire, she was able to read the Deed of Sale and that she was certain that it was executed in 1958 and notarized by Judge Rendon.³³ She likewise testified that when the instant case was filed against them by respondents, she went to see Judge Rendon to ask for a copy of the Deed of Sale.³⁴ Unfortunately, he no longer had a copy.³⁵ He, however confirmed that the Deed of Sale was executed in 1958, not in 1956,

²⁴ TSN, May 25, 2005, pp. 20-25.

²⁵ Id.

²⁶ Id. at 26-27.

²⁷ TSN, August 10, 2005, pp. 15-21.

²⁸ Id. at 27-29.

²⁹ TSN, August 24, 2005, pp. 27-29.

³⁰ Id.

³¹ TSN, March 23, 2006, pp. 21-26 and TSN, April 5, 2006, p. 12.

³² TSN, August 25, 2005, pp. 8-11.

³³ Id. at 23-36.

³⁴ Id.

³⁵ TSN, April 5, 2006, p. 14.

because he was admitted to the bar only in 1957.³⁶ They later learned that he passed away.³⁷

Petitioner Anecita, who was then 91 years old at the time her testimony was taken, narrated that she and her husband purchased the subject land from her brother, Anastacio, in November 1958 for the amount of ₱5,000,³⁸ and that the purchase price was used by Anastacio for the wedding of his son, respondent Meregildo.³⁹ She also denied receiving any demand letter from respondents.⁴⁰ On cross-examination, petitioner Anecita admitted that she could no longer remember the year her husband died, the year they got married, and even her birthday.⁴¹

Finally, to show that the marriage of respondent Meregildo was celebrated on June 8, 1958, petitioners offered as evidence the Marriage Contract⁴² of respondent Meregildo.

Ruling of the Regional Trial Court:

On July 2, 2007, the RTC rendered a Decision⁴³ dismissing the complaint and the counterclaims for lack of merit. The RTC gave credence to the testimonies of petitioners and their witnesses that Anastasio sold the land to Eliseo to defray the expenses for the wedding of respondent Meregildo in June 1958 and that the Deed of Sale was notarized by Judge Rendon in 1958 or beyond the 5-year prohibitory period.⁴⁴ Thus, the RTC ruled that the land was validly transferred to Eliseo.⁴⁵

Ruling of the Court of Appeals:

On appeal, the CA reversed and set aside the RTC Decision. The CA gave more weight to the documentary evidence presented by respondents than to the testimonies of petitioners and their witnesses. The CA found the latter unreliable, lacking material corroboration, self-serving, and insufficient to overcome the documentary evidence presented by respondents.⁴⁶ On the other hand, it found the entries in the Primary Book of Entry, being an official record of all the instruments submitted to the Register of Deeds, *prima facie* evidence of the facts stated therein.⁴⁷ And since a copy of the Deed of Sale was no longer available, the CA considered the date indicated in the Primary Entry Book of

³⁶ TSN, August 25, 2005, p. 8-9.

³⁷ Id. at 35.

³⁸ TSN, September 5, 2006, pp. 8-9.

³⁹ Id. at 3-14.

⁴⁰ Id. at 10-11.

⁴¹ Id. at 15-16.

⁴² Exhibit "6" for defendants (petitioners).

⁴³ *Rollo*, pp. 83-90; penned by Presiding Judge Roberto L. Ayco.

⁴⁴ Id. at 89.

⁴⁵ Id.

⁴⁶ Id. at 61.

⁴⁷ Id. at 59-61.

the Register of Deeds of South Cotabato as the true and correct date of execution of the Deed of Sale.⁴⁸ Hence, it declared the Deed of Sale void *ab initio* having been executed on November 28, 1956 or within the 5-year prohibitory period.⁴⁹ It also awarded the land back to respondents subject to the right of the government to institute reversion proceedings. Thus –

WHEREFORE, the appealed Decision of the Regional Trial Court, Branch 26, Surallah, South Cotabato, in Civil Case No. 679-S is **REVERSED and SET ASIDE** insofar as it dismissed the action for nullification of deed of sale, Transfer Certificate of Title (TCT) No. (T-7244) T-693, TCT Nos. T-34610, T-34611 and T-34612, recovery of ownership and possession, accounting and damages. Perforce, another Judgment is hereby rendered:

(a) Declaring null and void the sale of the homestead to Eliseo Bagaygay and his heirs;

(b) Ordering the Register of Deeds of South Cotabato to CANCEL TCT No (T-7244) T-693 including the certificates of title emanating from it: TCT Nos. T-34610, T-34611 and T-34612 in the name of Eliseo Bagaygay, and to REISSUE to herein [respondents] Meregildo Paciente, Adelaida P. Tuazon, Cecilia P. Kwan, Francis Roy Paciente, Fernando Paciente, Arturo Paciente, Anastacio Paciente, Jr., Milagros P. Montejo, Magdalena P. Orlido, as heirs of Anastacio Paciente, Sr., the title to the homestead in question;

(c) Ordering [respondents] Meregildo Paciente, Adelaida P. Tuazon, Cecilia P. Kwan, Francis Roy Paciente, Fernando Paciente, Arturo Paciente, Anastacio Paciente, Jr., Milagros P. Montejo, Magdalena P. Orlido to REIMBURSE to herein [petitioners] Anecita P. Bagaygay, Eladio Bagaygay, Inocencio Bagaygay, and Mary Mae Bagaygay, as heirs of Eliseo Bagaygay, the sum of FIVE THOUSAND PESOS (P5,000), the price of the sale. The value of any improvements made on the land and the interests on the purchase price are compensated by the fruits that Eliseo Bagaygay and his heirs had received from their long possession of the homestead.

This judgment is without prejudice to any appropriate action that the Republic, through the Solicitor General, may take against [respondents] Meregildo Paciente, Adelaida P. Tuazon, Cecilia P. Kwan, Francis Roy Paciente, Fernando Paciente, Arturo Paciente, Anastacio Paciente, Jr., Milagros P. Montejo, Magdalena P. Orlido, as heirs of Anastacio Paciente, Sr., pursuant to Section 124 of Commonwealth Act No. 141, as amended.

Accordingly, let copies of this decision be furnished the Office of the Solicitor General and the Department of Environment and Natural Resources for appropriate action.⁵⁰

Petitioners moved for reconsideration⁵¹ but the CA denied the same in its February 26, 2014 Resolution.⁵²

⁴⁸ Id. at 61-62.

⁴⁹ Id. at 62-63.

⁵⁰ Id. at 66-67.

⁵¹ Id. at 72-82.

⁵² Id. at 69-71.

Issues:

Hence, petitioners filed the instant Petition raising the following assignment of errors:

A. THE [CA] SERIOUSLY ERRED IN NOT GIVING WEIGHT ON THE FACTUAL FINDINGS OF THE COURT A QUO THAT THE DEED OF SALE OF THE SUBJECT LAND WAS EXECUTED ON NOVEMBER [28], 1958 AS DULY PROVED BY TESTIMONIAL EVIDENCES BY REVERSING THE SAME AND DECLARING THAT SAID DEED OF SALE WAS EXECUTED ON NOVEMBER [28], 1956 BASED ON THE ENTRY OF THE PRIMARY ENTRY BOOK, BUT OVERLOOKING THE FACT OF MARRIAGE OF [RESPONDENT] MEREGILDO PACIENTE IN YEAR 1958 AS THE PRIMODIAL REASON FOR THE SALE OF THE SUBJECT PROPERTY IN THE SAME YEAR 1958.

B. THE [CA] SERIOUSLY ERRED IN NOT RULING AND APPLYING THE PRINCIPLE OF LACHES ON THE PART OF RESPONDENTS XXX, CONSIDERING THAT IT TOOK THE LATTER FORTY-FOUR (44) YEARS BEFORE THEY FILED A CASE IN COURT, AND AFTER THE ORIGINAL PARTIES TO THE DEED OF SALE WERE ALL DEAD, TO THE GREAT DAMAGE AND PREJUDICE OF [PETITIONERS]⁵³

Petitioners' Arguments:

Petitioners insist that the appellate court erred in not giving credence to the testimonies of petitioners and their witnesses that the Deed of Sale was executed in 1958 and that the purchase price was used by Anastacio to defray the expenses of the wedding of his son, respondent Meregildo.⁵⁴ They claim that the CA overlooked the fact that respondent Meregildo got married in 1958 based on his Marriage Contract.⁵⁵

Also, the CA should not have reversed the factual findings of the RTC since it had a better opportunity to assess the credibility of the witnesses.⁵⁶ Petitioners likewise impute error on the part of the CA in applying Section 44, Rule 130 of the Rules of Court (ROC)⁵⁷ and in giving evidentiary value to the Primary Entry Book considering that it was prepared by hand and thus, prone to human error⁵⁸ Lastly, petitioners contend that the CA seriously erred in failing to apply the principle of laches.⁵⁹

⁵³ Id. at 19-20.

⁵⁴ Id. at 21-25.

⁵⁵ Id.

⁵⁶ Id. at 26-29.

⁵⁷ Id. at 29-32.

⁵⁸ Id. at 31-32.

⁵⁹ Id. at 33-39.

Respondents' Arguments:

Respondents, on the other hand, argue that the documentary evidence they presented was far more superior than the unreliable testimonies of petitioners and their witnesses.⁶⁰ As to the issue of laches, respondents maintain that the same does not apply to land covered by a homestead patent sold within the prohibitory period.⁶¹

Our Ruling

The Petition lacks merit.

Documentary evidence prevails over testimonial evidence.

Section 5, Rule 130 of the ROC allows the presentation of secondary evidence when the original document has been lost or destroyed and its unavailability has been duly established. In such a case, a party "may prove its contents by a copy or by a recital of its contents in some authentic document, or by the testimony of witnesses in the order stated."⁶²

In this case, respondents presented as witness the Registrar of Deeds of South Cotabato to testify that the original of OCT No. V-2423 as well as the copy of the Deed of Sale executed by Anastacio in favor of Eliseo had been lost and could no longer be produced, to identify the Primary Entry Book as secondary evidence, and to prove that the Deed of Sale was executed on November 28, 1956.

To refute the date of execution stated in the Primary Entry Book, petitioners presented testimonies declaring that the Deed of Sale was notarized by Judge Rendon on November 28, 1958 and that purchase price was used by Anastacio to defray the wedding expenses of his son, respondent Meregildo, in June 1958. To corroborate these testimonies, petitioners submitted as evidence the Marriage Contract of respondent Meregildo to show that his marriage was celebrated on June 6, 1958 and the bio-data of Judge Rendon to show that he was admitted to the bar only in 1957, and thus, could not have notarized the document in 1956.

Regrettably, the testimonial evidence of petitioners cannot prevail over the documentary evidence presented by respondents. As a rule, documentary evidence takes precedence over testimonial evidence as the latter can easily be fabricated.⁶³ It also cannot be denied that the human memory on dates is frail

⁶⁰ Id. at 114-117.

⁶¹ Id. at 118-120.

⁶² RULES OF COURT, Rule 130, Section 5.

⁶³ *Government Service Insurance System v. Court of Appeals*, 294 Phil. 699, 710 (1993) citing *Marvel Building Corporation vs. David*, 94 Phil. 376, 387-388 (1954).

and thus, there is no reasonable assurance of its correctness unless the date is an extraordinary or unusual one for the witness.⁶⁴

In this case, as aptly observed by the CA, the testimonies of petitioner Anecita and Anastacia with respect to the date of execution cannot be relied upon considering their age and the fact that they could not even remember their own birthdays.⁶⁵

As to petitioners' claim that it was Judge Rendon who notarized the Deed of Sale, the CA correctly pointed out that such allegation not only lacks material corroboration but is even self-serving. In fact, except for the bare allegation of petitioners and their witnesses, no other evidence was presented to show that it was indeed Judge Rendon who notarized the said document.

Neither can petitioners rely on the date of marriage of respondent Meregildo to prove their claim that the sale took place on November 28, 1958 because assuming that Anastacio indeed sold the land to defray the expenses for the wedding of his son, this would mean that Anastacio sold the land to Eliseo before June 6, 1958, the wedding day of his son, which is still within the five-year prohibitory period.

In contrast, respondents presented as evidence the Primary Entry Book⁶⁶ of the Register of Deeds of South Cotabato, which is an official record of all instruments filed with the Register of Deeds. As a public document, it is entitled to a presumption of truth as to the recitals contained therein pursuant to Section 44, Rule 130 of the ROC, which provides that "entries in official records made the performance of duty by a public officer x x x are prima facie evidence of the truth of the facts therein stated."

Thus, in the absence of strong, complete and conclusive proof of its falsity, the evidentiary nature of such document must be sustained.⁶⁷ For unless there is evidence to the contrary, it is presumed that official duty has been regularly performed by the officer who entered the details of the Deed of Sale pursuant to Section 3(m),⁶⁸ Rule 131 of the ROC. Here, no sufficient evidence was presented by petitioners to overcome the presumption. Thus, the Court finds

⁶⁴ *People v. Dasig*, 93 Phil. 618, 632 (1953).

⁶⁵ *Rollo*, p. 61.

⁶⁶ Section 56. Each register of deeds shall keep an entry book in which he shall enter in the order of their reception all deeds and other voluntary instruments, and all copies of writs and other process filed with him relating to registered land. He shall note in such book the year month, day, hour, and minute of reception of all instruments, in the order in which they are received. They shall be regarded as registered from the time so noted, and the memorandum of each instrument when made on the certificate of title to which it refers shall bear the same date.

⁶⁷ *Jeremias v. The Estate of the late Irene P. Mariano*, 588 Phil. 217, 230-231 (2008).

⁶⁸ Section 3. *Disputable presumptions*. – The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:

(a) xxx

(m) That official duty has been regularly performed;

xxx

no error on the part of the CA in upholding the date of execution of the Deed of Sale as appearing on the Primary Entry Book.

Respondents are entitled to the possession of the land subject to the right of the government to institute reversion proceedings.

Having been executed within the five-year prohibitory period, the Deed of Sale, as correctly ruled by the CA, is void *ab initio*. And under prevailing jurisprudence,⁶⁹ the property should rightly be returned to respondents considering that the government has not yet filed an action for reversion. As the Court has consistently ruled, reversion under Section 101 of the Public Land Act is not automatic as the Office of the Solicitor General must first file an action for reversion.⁷⁰

The CA likewise correctly ordered respondents to reimburse petitioners the purchase price of the sale since the Deed of Sale is void *ab initio*. As to the improvements made on the land and the interests on the purchase price, these are compensated by the fruits petitioners had received from their long possession of the homestead pursuant to the ruling of the Court in the case of *Sps. Maltos v. Heirs of Eusebio Borromeo*,⁷¹ the pertinent portion of which reads:

In *Arsenal*, the property covered by a homestead patent had been sold to Suralta in 1957, while the Complaint was filed before the trial court in 1974. The case was decided by this court in 1986. Thus, Suralta had been in possession of the property for approximately 17 years before a Complaint was filed. This court held that:

The value of any improvements made on the land and the interests on the purchase price are compensated by the fruits the respondent Suralta and his heirs received from their long possession of the homestead.

Angeles and *Arsenal* both involved the sale of a parcel of land covered by a homestead patent within the five-year prohibitory period. These cases also involved the introduction of improvements on the parcel of land by the buyer.

Restating the rulings in *Angeles* and *Arsenal*, this court finds that while the rule on *in pari delicto* does not apply if its effect is to violate public policy, it is applicable with regard to the value of the improvements introduced by petitioner Eliseo Maltos. Petitioners had been in possession of the land for 20 years before the heirs of Borromeo filed a Complaint. The expenses incurred by petitioners in introducing improvements on the land for which they seek reimbursement should already be compensated by the fruits they received from the improvements.⁷²

⁶⁹ *Arsenal v. Intermediate Appellate Court*, 227 Phil. 36, 51 (1986).

⁷⁰ *Maltos v. Heirs of Borromeo*, 769 Phil. 598, 624 (2015).

⁷¹ *Id.*

⁷² *Id.* at 623.

Laches does not apply to void ab initio contracts.

Likewise without merit is petitioners' defense of laches. *In the Heirs of Alido v. Campano*,⁷³ the Court made it clear that laches do not apply to void *ab initio* contracts. It explained –

Laches, however, do not apply if the assailed contract is void *ab initio*. In *Heirs of Ingjug-Tiro v. Spouses Casals*, the Court expounded that laches cannot prevail over the law that actions to assail a void contract are imprescriptible it being based on equity, to wit:

In actions for reconveyance of property predicated on the fact that the conveyance complained of was null and void *ab initio*, a claim of prescription of action would be unavailing. "The action or defense for the declaration of the inexistence of a contract does not prescribe." Neither could laches be invoked in the case at bar. Laches is a doctrine in equity and our courts are basically courts of law and not courts of equity. **Equity, which has been aptly described as "justice outside legality," should be applied only in the absence of, and never against, statutory law. Aequetas [nunquam] contravenit legis. The positive mandate of Art. 1410 of the New Civil Code conferring imprescriptibility to actions for declaration of the inexistence of a contract should pre-empt and prevail over all abstract arguments based only on equity. Certainly, laches cannot set up to resist the enforcement of an imprescriptible legal right, and petitioners can validly vindicate their inheritance despite the lapse of time.**

As above-mentioned, a sale of a parcel of land is in violation of the five-year prohibition on the alienation of land acquired via free patent application is void and produces no legal effect. As successors-in-interest of Alido, petitioners' right to challenge the sale between Alido and respondent cannot be barred by laches as it was in violation of the restriction on the sale of land acquired through free patent.⁷⁴

All told, the Court finds no error on the part of the CA in reversing the RTC Decision and in declaring the Deed of Sale void *ab initio*.

WHEREFORE, the Petition is **DENIED** for lack of merit. The July 30, 2013 Decision and the February 26, 2014 Resolution of the Court of Appeals in CA-G.R. CV No. 01415-MIN are hereby **AFFIRMED**.

⁷³ G.R. No. 226065, July 29, 2019.


⁷⁴ Id.


SO ORDERED.

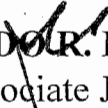

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


ESTELA M. BERLAS-BERNABE
Senior Associate Justice
Chairperson



HENRI JEAN PAUL B. INTING
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
Associate Justice


ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice

