



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **June 15, 2020** which reads as follows:*

“G.R. No. 240678 – FIL-ESTATE PROPERTIES, INC. and FAIRWAYS AND BLUEWATERS RESORT AND COUNTRY CLUB, INC., petitioners, versus SULLIAN SY NAVAL, respondent.

The recovery of possession of a 1000-square meter parcel of land is the main issue in this petition for review on certiorari under Rule 45 of the Rules of Court assailing the Court of Appeals’ Decision dated October 27, 2017 in CA-G.R. CV No. 04044, which affirmed with modification the Regional Trial Court’s Decision dated February 28, 2000 in Civil Case No. 5626.

ANTECEDENTS

In 1995, Fil-Estate Properties, Inc. and Fairways and Bluewaters Resort and Country Club, Inc. decided to develop a first class golf course in Boracay. Thus, Fil-Estate purchased from Divina Marte Villanueva a 4.5-hectare land situated in Malay, Aklan. However, prior to their contract, Divina had sold to Sullian Sy Naval a 1000-square meter portion of the land registered under Transfer Certificate of Title No. 22944. Thus, Divina promised Fil-Estate that she will convince Sullian to sell her property.¹

In September 1996,² Fil-Estate occupied Sullian’s lot and started to construct a golf course. Aggrieved, Sullian protested since she never sold to Fil-Estate her land.³ Thereafter, Fil-Estate proposed

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¹ Rollo, pp. 17-20.

² Id. at 70.

³ Id. at 238.

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a property swap. Yet, Sullian refused and demanded that Fil-Estate vacate her property but was ignored. This prompted Sullian to file a complaint for recovery of possession against Fil-Estate before the Regional Trial Court docketed as Civil Case No. 5626.⁴

At the pre-trial, Fil-Estate neither appeared nor submitted its brief. Hence, the RTC allowed Sullian to present evidence *ex-parte*.⁵ On February 28, 2000,⁶ the RTC ruled that Fil-Estate unlawfully occupied Sullian's property. It rejected Fil-Estate's claim that Sullian never objected to the conversion of her property into a golf course. Further, it noted that Fil-Estate's modus seems to be usurping lands and putting owners in a position that would force them to sell their properties,⁷ thus:

WHEREFORE, judgment is hereby rendered as follows:

a) Defendants, their agents and all persons claiming under them are ordered to vacate immediately Lot 14-P. Psd-060412-026321 located at Baranagay Yapak, Boracay Island, Malay, Aklan and to restore possession thereof to plaintiff:

b) Defendants are ordered to pay plaintiff solidarily the amount of TWO HUNDRED SIXTY-ONE THOUSAND ONE HUNDRED SEVENTY-SEVEN PESOS AND SEVENTY-FIVE CENTAVOS (P261,177.75) as attorney's fees and other compensatory damages, THREE MILLION PESOS (P3,000,000.00) as moral damages and THREE MILLION PESOS (P3,000,000.00) as exemplary damages.

c) Defendants are also ordered to pay plaintiff rental for their use and occupation of her property computed at FIFTY THOUSAND PESOS (P50,000.00) per month from April 1997 to October 1998 and SEVENTY THOUSAND PESOS (P70,000.00) per month thereafter with a twenty (20%) percent increase per annum thereon until possession is restored to plaintiff.

Costs against the defendants.

SO ORDERED.⁸

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⁴ Id. at 236-240.

⁵ Id. at 111-112.

⁶ Id. at 154-164.

⁷ Id. at 158-159.

⁸ Id. at 163-164.

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Fil-Estate appealed to the Court of Appeals docketed as CA-G.R. CV No. 04044. On October 27, 2017, the CA affirmed the RTC's findings but modified the amount of moral and exemplary damages,⁹ to wit:

WHEREFORE, the appeal is **PARTLY GRANTED**. The assailed 28 February 2000 *Decision* and 26 July 2000 *Order* of the Regional Trial Court, Branch 1, Kalibo, Aklan, in Civil Case No. 5626 for *Recovery of Possession*, is **AFFIRMED** with the **MODIFICATION** that the award of moral and exemplary damages is reduced to Php500,000.00 each.

SO ORDERED.¹⁰

Unsuccessful at a reconsideration,¹¹ Fil-Estate resorted to this petition arguing that Sullian's action is already barred by laches when she failed to assert her rights while the golf-course was being constructed. Also, it invoked the Court's ruling in the consolidated cases of *Ayson v. Fil-Estate Properties, Inc., et al.* and *Fil-Estate Properties, Inc., et al. v. Ayson* (G.R. Nos. 223254 & 223269) where Fil-Estate was ordered to pay the value of the land instead of returning it to the owner.¹²

RULING

The petition is unmeritorious.

It is undisputed that Fil-Estate knowingly usurped Sullian's land. It even alleged in its own petition that Sullian is the registered owner of the property.¹³ The claim that Sullian agreed to the property swap is unsubstantiated and self-serving. There is no proof that Sullian consented to the construction of the golf course. Besides, no agreement was ever reached between Fil-Estate and Sullian.

Similarly, Sullian is not guilty of laches defined as the failure or neglect for an unreasonable and unexplained length of time to do that which, by observance of due diligence, could or should have been

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⁹ Id. at 109-123. Penned by Associate Justice Gabriel T. Robeniol, with Associate Justices Edgardo L. Delos Santos (now a member of this Court) and Edward B. Contreras concurring.

¹⁰ Id. at 123.

¹¹ Id. at 125-127.

¹² Id. at 13-53.

¹³ Id. at 18.

done earlier.¹⁴ Yet, jurisprudence holds that laches cannot apply to registered land. Under the Property Registration Decree, no title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession.¹⁵ As pointed earlier, Sullian is the registered owner of the lot. At any rate, the construction of the golf course started in 1996 and Sullian protested the following year. In 1998, Sullian filed a complaint for recovery of possession. In these circumstances, no unreasonable period of time may be attributed to Sullian as basis for a finding of laches.

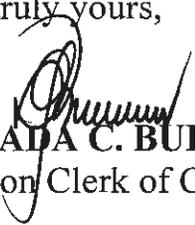
Lastly, the *Ayson* ruling is inapplicable to this case because it involved different facts and property. It did not even establish a precedent in allowing Fil-Estate to pay the value of the usurped land instead of returning it to the owner. As the *ponencia* aptly observed, the issue in *Ayson* is limited only to the award of damages and valuation of the lot, thus:

At the outset, the Court notes that the issues raised in the instant petition largely pertain only to the propriety of the awards of moral damages, exemplary damages, and attorney's fees in *Ayson's* favor and the corresponding amounts thereof, as well as the correctness of the valuation of the subject land at US\$40,000.00 and the monthly rental therefor. As such, the Court shall limit its discussion on the foregoing and shall no longer delve on other matters not raised before it.

FOR THESE REASONS, the petition is **DENIED** and the assailed Court of Appeals' Decision dated October 27, 2017 in CA-G.R. CV No. 04044 is **AFFIRMED**.

SO ORDERED."

Very truly yours,


LIBRADA C. BUENA
Division Clerk of Court

by:


MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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¹⁴ Republic v. Marjens Investment Corporation and Patrocino Villanueva, G.R. No. 156205, November 12, 2014.

¹⁵ Spouses Ocampo v. Heirs of Bernardino U. Dionisio, G.R. No. 191101, October 1, 2014, citing *Jakosalem v. Barangan*, G.R. No. 175025, February 15, 2012.

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The Hon. Presiding Judge
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