

Title: Seventh Day Adventist Conference Church of Southern Philippines, Inc. vs. Northeastern Mindanao Mission of Seventh Day Adventist, Inc.

Facts:

This case pertains to a dispute over a property in Bayugan, Agusan del Sur, covered by Transfer Certificate of Title (TCT) No. 4468, originally owned by Felix Cosio and his wife, Felisa Cuysona. On April 21, 1959, they donated the property to the South Philippine Union Mission of Seventh Day Adventist Church of Bayugan Esperanza, Agusan (SPUM-SDA Bayugan), as evidenced by a deed of donation. The donation was purportedly accepted by an elder of the Church, Liberato Rayos.

Two decades later, on February 28, 1980, the same spouses sold the property to the Seventh Day Adventist Church of Northeastern Mindanao Mission (SDA-NEMM), and TCT No. 4468 was issued in their name. The petitioners, claiming to be the alleged donee's successors-in-interest, initiated a lawsuit to assert ownership over the property. They argued that SPUM-SDA Bayugan, at the time of the donation, was not incorporated and thus had no juridical personality to be a donee.

The petitioners filed a suit for cancellation of title, quieting of ownership and possession, declaratory relief, and reconveyance with a prayer for preliminary injunction and damages (Civil Case No. 63) in the RTC of Bayugan, Agusan del Sur. The trial court ruled in favor of the respondents, upholding the sale. On appeal, the CA affirmed the RTC's decision but deleted the award of moral damages and attorney's fees. A motion for reconsideration by the petitioners was subsequently denied, leading to this petition for review before the Supreme Court.

Issues:

1. Whether the Court should review the validity of the deed of donation although it was not raised as an issue on appeal.
2. Whether the alleged donation to the petitioners' predecessors was valid.
3. Whether the petitioners qualify as a de facto corporation to benefit from the donation.
4. Whether the sale of the property to the respondents (SDA-NEMM) was valid and should be upheld.

Court's Decision:

The Supreme Court denied the petition and ruled in favor of respondents (SDA-NEMM). The Court concluded that the deed of donation was void, as it was made in favor of an entity that

did not exist at the time. There were also no proof of attempts to incorporate, or any issuance of a certificate of incorporation, which is essential for the existence of a de facto corporation. Furthermore, the Court affirmed that the sale was valid as there were no convincing disputes over the trial court's findings, and an appeal to the Supreme Court generally only opens questions of law, not facts.

Doctrine:

1. A donation made to a non-existent entity is void.
2. An organization that is not registered with the Securities and Exchange Commission (SEC) cannot be considered a corporation in any concept, not even as a corporation de facto.
3. A Certificate of Title is generally conclusive evidence of title to land.

Class Notes:

- A valid donation requires a capacitated donor and donee, a donation deed, and acceptance by the donee's representative.
- A de facto corporation must have a valid law under which it can be incorporated, an attempt in good faith to incorporate, and the assumption of corporate powers.
- In real estate transactions, both donation and sale are modes of transferring ownership; however, all legal requirements must be met for them to be effective.
- A Certificate of Title is considered conclusive evidence of the ownership of the land covered by it unless it is challenged in a direct proceeding.

Historical Background:

The historical context of the case reflects the conditions of the legal framework concerning religious organizations and their capacity to own property during the mid-20th century in the Philippines. This case illustrates the implications of the implementation of corporate law for religious entities, echoing the importance of the sanctity of the land titling system and the acquisition of juridical personality through proper incorporation.