

Title:

Juana Vda. de Rojas vs. Marcelino Dime: A Case on Pacto de Retro Sale and Consolidation of Ownership

Facts:

In this dispute originating from a pacto de retro sale agreement, Juana Vda. de Rojas, the petitioner, was the registered owner of a parcel of land (Lot 4-A) in Nasugbu, Batangas, covered by TCT No. T-55726. On May 16, 1999, she allegedly conveyed this property to respondent Marcelino Dime under a pacto de retro sale for P2,502,932.10, reserving the right to repurchase within a specified period. Juana Vda. de Rojas later refused to exercise her repurchase right, leading Dime to file a petition for the consolidation of ownership and title in his name at the Regional Trial Court (RTC) of Nasugbu, Batangas, Branch 14.

Juana contested the pacto de retro sale, claiming the document was falsified. However, the NBI determined the thumbmark on the contract matched Juana's. Marcelino Dime passed away during the proceedings, and his heirs continued the case. The heirs initially moved to dismiss the complaint, citing concerns over potential unjust enrichment, but this motion was eventually set aside by the RTC, which then proceeded to rule in favor of Juana by dismissing the case. However, upon appeal, the Court of Appeals (CA) reversed the RTC's decision, directing the consolidation of ownership and title in Dime's name. Juana Vda. de Rojas then appealed to the Supreme Court.

Issues:

1. Whether the Court of Appeals erred in reversing the RTC's dismissal of the petition for consolidation of ownership and title in Dime's favor.
2. Whether the necessity of verification of the respondents in the motion for reconsideration filed before the RTC was disregarded by the CA.
3. Whether the CA erred in allowing the consolidation of title despite the assertion of potential unjust enrichment.
4. Whether the CA was correct in upholding the presumed regularity of the subject pacto de retro sale.

Court's Decision:

The Supreme Court upheld the CA's decision, affirming the consolidation of ownership and title in Marcelino Dime's favor, thus denying Juana Vda. de Rojas' petition. The Court found the petition devoid of merit for several reasons:

- The argument pertaining to the heirs' intention to dismiss based on unjust enrichment was

rejected since the source of the purchase funds (a third party not party to the pacto de retro sale) cannot influence the consolidation of ownership and title in the vendee's name.

- The lack of verification on the motion for reconsideration was deemed a non-fatal procedural lapse that the court could waive in the interest of justice.
- The alleged unjust enrichment was not sufficiently proven, and the claim that a third party financed the purchase was not legally sufficient to prevent the consolidation of title.
- The Supreme Court supported the CA's judgment that there was no convincing evidence to question the regularity and execution of the notarized pacto de retro sale document, underscoring that the NBI's fingerprint analysis conclusively linked Juana to the sale.

Doctrine:

1. **Relativity of Contracts**: Contracts binding the parties cannot benefit nor prejudice a third person, not party to the contract, even if the contract would incidentally inure to their benefit unless explicitly stated.
2. **Presumption of Regularity**: A notarized document enjoys the presumption of regularity and is conclusive as to its due execution and contents until proven otherwise.
3. **Verification Requirement**: The requirement for verification of pleadings is not jurisdictional but a condition that courts can waive in the interest of justice.

Class Notes:

- A **pacto de retro sale** is a conditional sale where the seller reserves the right to buy back the property within a stipulated period.
- **Indispensable Parties**: Only those who are party to the contract, or their heirs or assigns, can have a standing in cases pertaining to the contract's enforcement or contestation.
- **Unjust Enrichment (Article 22 of the Civil Code)**: Occurs when someone unfairly benefits at another's expense, a principle against which the legal system guards.
- **Fingerprint Analysis in Legal Proceedings**: Can be decisive in proving the authenticity of contested documents, but the outcomes are contingent upon the expertise and integrity of the forensic analysis.

Historical Background:

The case underscores the relevance of pacto de retro sales in Philippine property transactions, reflecting on the meticulous judicial scrutiny involved in resolving disputes emanating from such agreements. It also exemplifies the legal challenges surrounding document authenticity, the role of forensic evidence, and procedural nuances in Philippine civil litigation.