

**\*\*Title:\*\*** Salun-at Marquez and Nestor Dela Cruz vs. Eloisa Espejo et al.

**\*\*Facts:\*\***

The case revolves around two parcels of agricultural land in Nueva Vizcaya, which were originally owned by the respondents, Espejos, and tenanted by Nemi Fernandez and the petitioners, Marquez and Dela Cruz. Due to the failure of the Espejos to settle their loans, the lands were mortgaged and eventually foreclosed by RBBI, leading to the issuance of transfer certificates of title (TCTs) to RBBI. The Espejos later repurchased one lot from RBBI, believed to be the Lantap property, but the deed inaccurately referred to the TCT number of the Murong property. RBBI, meanwhile, entered into Deeds of Voluntary Land Transfer (VLTs) with the petitioners for what was intended to be the Murong property, but mistakenly referenced the TCT number of the Lantap property.

Petitioners filed for clarification when the Espejos claimed the Murong property, asserting that their deed of sale mistakenly referenced the Lantap property's TCT number. This led to legal proceedings that culminated in the Supreme Court after varying decisions from lower courts, including the Department of Agrarian Reform Adjudication Board (DARAB) and the Court of Appeals (CA), on the rightful ownership and correct interpretation of the deeds and VLTs.

**\*\*Issues:\*\***

1. What is the effect of the final judgment dismissing RBBI's petition for review on the same CA decision?
2. Whether the CA erred in utilizing the Best Evidence Rule to determine the subject of the contracts.
3. What are the subject properties of the parties' respective contracts with RBBI?

**\*\*Court's Decision:\*\***

The Supreme Court granted the petition, reversing and setting aside the CA decision, reinstating the DARAB's decision, and ruling that:

1. The dismissal of RBBI's appeal in a separate case does not affect the merits of the petitioners' appeal and their arguments.
2. The application of the Best Evidence Rule was incorrect; the issue at hand was the intrinsic ambiguity and failure of the contracts to express the true intention of the parties. The correct application was the Parol Evidence Rule, allowing examination of external evidence to discern the parties' intentions.
3. The Deed of Sale between respondents and RBBI was intended to cover the Lantap

property, not the Murong property. Meanwhile, the Deeds of Voluntary Land Transfer were intended to convey the Murong property to the petitioners, contrary to the erroneous referencing of TCT numbers. The contemporary and subsequent actions of the parties support this determination.

**\*\*Doctrine:\*\***

The intrinsic ambiguity or failure of a written agreement to express the true intention of the parties allows for the presentation of evidence beyond the contents of the contract, guided by the intention of the contracting parties over the literal terms of the agreement.

**\*\*Class Notes:\*\***

1. **\*Intent of Parties Over Document Wording:\*** The true intention of the contracting parties takes precedence over the literal wording in contracts prone to mistakes or ambiguities.
2. **\*Application of Parol Evidence Rule in Cases of Ambiguity:\*** When a written agreement fails to express the true intent of the parties or contains intrinsic ambiguities, external evidence can be admitted to clarify intent.
3. **\*Distinguishing Best Evidence Rule from Parol Evidence Rule:\*** The Best Evidence Rule mandates the original document as the primary evidence of its contents. In contrast, the Parol Evidence Rule restricts the use of external evidence to vary or contradict the terms of a valid written agreement, unless exceptions apply.

**\*\*Historical Background:\*\***

This case underscores the complexities involved in agrarian reform implementation and property transactions in the Philippines, highlighting the challenges in documentary precision and the interpretation of legal instruments, particularly in situations where paperwork inaccuracies may lead to significant property and ownership disputes.