

****Title:**** Acabal v. Acabal: A Case on Property Sale Dispute and the Validity of Deed of Absolute Sale

Facts:

This case originated from a dispute over a parcel of land located in Barrio Tanglad, Manjuyod, Negros Oriental, involving members of the Acabal family. The land, originally owned by Alejandro Acabal and Felicidad Balasabas, was transferred to their son, Villaner Acabal, through a Deed of Absolute Sale dated July 6, 1971. Villaner, later, executed a document on April 19, 1990, allegedly selling the same property to his nephew, Leonardo Acabal. Contestation arose when Villaner claimed he believed he was signing a “Lease Contract” and not a “Deed of Absolute Sale.” Consequently, Villaner filed a complaint in the Dumaguete RTC against Leonardo and another transferee, Ramon Nicolas, seeking annulment of the deeds of sale.

At the trial, Villaner testified he had intended to lease the property, not sell it, underlining a discrepancy between the document he thought he signed and the one formalized. Leonardo and a witness, Carmelo Cadalin, countered this claim, insisting it was a legitimate sale. The trial court sided with Leonardo and Ramon Nicolas, dismissing Villaner’s complaint.

On appeal, the Court of Appeals reversed the trial court’s decision, favoring Villaner and finding the Deed of Absolute Sale simulated. Leonardo and Ramon Nicolas appealed to the Supreme Court through a Petition for Review on Certiorari.

Issues:

1. Whether Villaner Acabal was deceived into signing the Deed of Absolute Sale.
2. The relevance and impact of the sale price stated in the Deed of Absolute Sale.
3. The propriety of Villaner questioning the possession and ownership of Ramon Nicolas after substantial time had passed.
4. The determination of bad faith or good faith of the buyer in relation to acquiring property.
5. The legal implications of Villaner’s failure to present evidence of the purported Lease Contract.
6. Applicability of Section 8, Rule 8 of the Rules of Court regarding failure to deny under oath the genuineness and due execution of the document.
7. The rental payment ordered by the Court of Appeals.

Court’s Decision:

The Supreme Court granted the petition, reversing the Court of Appeals' decision and reinstating the trial court's ruling, but with modifications concerning ownership. The Court found that Villaner failed to provide clear and convincing evidence of deception in executing the Deed of Absolute Sale. It also determined that the specified sale price did not conclusively indicate inadequacy or fraud, and Villaner's delay in challenging the sale raised doubts about his claim.

Moreover, the legal requirements under the Comprehensive Agrarian Reform Law were discussed, concluding the property's sale did not violate its provisions. However, since Villaner and Leonardo were in *pari delicto*, or equal fault, neither could seek judicial relief against the other. The proper recourse should have been an action for partition given the property's co-ownership status.

Doctrine:

The Supreme Court reiterates the principle that allegations of fraud require clear and convincing evidence. Additionally, it emphasized the doctrine of *pari delicto*, holding that courts will not assist a party who has engaged in illegal acts. The case also clarified the rights of co-owners in selling their undivided shares and the legal implications of such actions.

Class Notes:

1. **Evidence of Fraud:** Allegations of fraud must be proven with clear and convincing evidence.
2. **Pari Delicto:** Parties in equal fault over an illegal transaction cannot seek judicial aid against each other.
3. **Co-Ownership Rights:** Co-owners may sell their undivided shares, but such a sale does not affect the shares of the other co-owners.

Historical Background:

This case reflects on the complexities in interpreting property sale agreements and the challenge of proving fraud in transactions among family members. It showcases the legal intricacies of real property sales, co-ownership rights, and the agrarian law limitations in the Philippines, offering a vivid example of the judiciary's role in resolving family disputes over ancestral land.