

Title: Heirs of Spouses Silvestre Manzano and Gertrudes D. Manzano vs. Kinsonic Philippines, Inc.

Facts:

1. **Contract to Sell:** On July 19, 1993, Heirs of Spouses Silvestre Manzano and Gertrudes D. Manzano (hereafter “petitioners”), represented by Conrado D. Manzano (Conrado), entered into a Contract to Sell with Kinsonic Philippines, Inc. (hereafter “respondent”) for a 35,426 sqm parcel of land in Marilao, Bulacan for P23,026,900.00.
2. **Partial Payment and Conversion Cost:** As of January 27, 1995, respondent paid P8,000,000.00, which Conrado acknowledged. Respondent also spent P700,000.00 converting the land from agricultural to industrial use.
3. **Payment Refusal:** Respondent tendered payments of P5,000,000.00 (February 23, 1995) and P10,000,000.00 (March 16, 1995). Petitioners refused these payments, claiming the payment period had expired.
4. **Filing of Complaint:** Respondent filed a Complaint for specific performance and/or sum of money before RTC-Malolos, requesting petitioners to:
 - a. Accept the balance of the contract price,
 - b. Execute and deliver the deed of absolute sale,
 - c. Alternatively, pay actual and exemplary damages, attorney’s fees, and litigation costs.
5. **Defense:** Petitioners argued the Contract to Sell was rescinded due to respondent’s non-payment within 60 days from land conversion approval.
6. **Motion for Summary Judgment:** Respondent’s Motion for Summary Judgment was denied by the trial court. Respondent’s certiorari petition to the CA resulted in a summary judgment in its favor.
7. **Initial CA Ruling:** The CA ordered petitioners to execute the deed of sale or return amounts paid by respondent with interest and remanded the case for evidence reception on damages.
8. **RTC Judgment:** On April 15, 2009, RTC-Malolos ordered petitioners to pay P200,000.00 in attorney’s fees and P50,000.00 as exemplary damages.
9. **Appeal to CA:** Petitioners appealed, raising issues about indispensability of the estate administrator, validity of the land disposition without conjugal partnership liquidation, and genuine issues needing trial.
10. **Second CA Decision:** On November 13, 2013, the CA affirmed RTC’s judgment but deleted the award of exemplary damages. Petitioners’ Motion for Reconsideration was denied.

Issues:

1. Is the administrator of the estates/conjugal partnership of the Spouses Manzano an indispensable party?
2. Can the issue of impleading said administrator be raised for the first time on appeal?
3. Are petitioners estopped from invoking the issue of non-joinder of the administrator and new theories at this litigation stage?

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

1. ****Indispensable Party:****

- The Court concluded that without commencement of probate or intestate proceedings or appointment of an administrator, there is no such party to be impleaded in the respondent's complaint. Without letters of administration, the existence of an estate administrator is speculative.
- The future administrator may be a necessary party, not indispensable. The administrator's interest is separable and doesn't prejudice the ongoing case or its determinations.

2. ****Raising New Issues on Appeal:****

- The petitioner's argument regarding non-joinder of the administrator on appeal was considered moot.
- New theories such as the nullity of the Contract to Sell were neither raised in their Answer nor proven with evidence in initial proceedings. Thus, they could not be raised for the first time on appeal.

3. ****Estoppel and Clean Hands:****

- Petitioners' conduct throughout litigation, including accepting partial payment and raising new issues belatedly, invoked the estoppel doctrine.
- The equitable principle of clean hands applied, barring them from benefitting from their late arguments.

****Doctrine:****

1. ****Joinder of Indispensable Parties:**** Courts will not proceed without indispensable parties; however, necessary parties may be joined if possible. Non-inclusion of a necessary party does not invalidate proceedings.
2. ****No New Issues on Appeal:**** Issues not raised at trial cannot be introduced on appeal—courts cannot consider them firsthand in higher courts.
3. ****Estoppel:**** Parties who participate in proceedings and fail to raise certain issues cannot later raise those issues during appeal.

****Class Notes:****

- ****Indispensable vs. Necessary Party:**** Indispensable party's presence is mandatory; the necessary party is joined for a complete determination but not mandatory.
- ****Estoppel:**** A legal principle preventing parties from raising new issues that they could have previously raised.
- ****Article 130, Family Code:**** Voids dispositions of the conjugal property without prior liquidation upon marriage termination.
- ****Rule 89, Rules of Court:**** Protocols for valid sales, mortgages, or encumbrances of the deceased's property.

****Historical Background:****

This case's context involves long-standing issues of land sales upon non-liquidated conjugal property following death without probate proceedings. Philippine law addresses property transfer protocols after a spouse's death, ensuring protection for heirs and creditors in property disputes and sales. This decision sheds light on procedural intricacies within contract enforcement and probate law.