

****Title:**** Spouses Francisco vs. Battung, G.R. No. 213275

****Facts:****

Albina D. Battung (respondent) owned a parcel of land in San Gabriel, Tuguegarao City, covered by TCT No. 118686. On February 25, 1997, Albina Battung entered into a Deed of Conditional Sale with Celia Francisco (buyer). The purchase price was PHP 346,400.00, payable in installments.

- Payment structure: PHP 20,000.00 upon execution, PHP 5,000.00 monthly starting March 30, 1997, for half the total price, with the remaining balance due by December 30, 1999.
- Full transfer of title upon complete payment.

In April 2003, Albina filed for unlawful detainer against Celia, claiming failure to vacate the property. The MTCC ruled in favor of the respondent on January 12, 2004, ordering Celia to vacate and consider PHP 89,000.00 as rent. The ruling was affirmed by the RTC but was set aside by the Court of Appeals (CA) in July 2006.

On April 30, 2003, Celia and her husband (petitioners) filed a complaint for specific performance with damages, claiming they paid PHP 151,000.00 and were ready to pay the balance but discovered the land had been previously titled to another person and later re-titled back. The respondent argued that no payments were made after June 2001 due to alleged cheatings by Celia.

In November 2007, petitioners consigned PHP 215,300.00 as the balance of the purchase price, which the respondent refused, asserting only PHP 121,538.00 plus interest was acceptable.

The RTC Branch 3 ruled in January 2009 in favor of the petitioners, ordering Albina to execute the deed of absolute sale and dismissing the counterclaim. Appeals followed, and the CA reversed this ruling on September 19, 2013, declaring the Deed a contract to sell and ordering the petitioners to vacate.

****Issues:****

1. Whether the CA erred in reviving the nature of the Deed contrary to principles of res judicata and law of the case.
2. Whether the CA correctly revived the issue by treating it as an “assigned error.”
3. Whether the CA ignored RA No. 6552 (Maceda Law) concerning the partial performance of the Deed.

4. Whether receiving PHP 107,560.00 in court constituted partial performance of the Deed.

Court's Decision:

1. **Principles of Res Judicata and Law of the Case:**

- The CA was not bound by decisions from the unlawful detainer case as it was merely provisional and under different proceedings. The doctrines did not restrain the CA's determination of the Deed's nature.

2. **Revival as an "Assigned Error":**

- The CA examined the Deed's nature because it was necessary for a just resolution. Determining whether the Deed was a contract to sell impacted the enforceability and specific performance claims.

3. **RA No. 6552 (Maceda Law):**

- Petitioners could not invoke protection under RA No. 6552 as they failed to consistently pay at least two years of monthly installments (PHP 5,000.00 each). Minimal and irregular payments did not satisfy the statutory requirement.

4. **Partial Performance Claim:**

- The Deed's contingent completion on full payment rendered non-fulfillment (non-payment) a hindrance preventing transfer of ownership. The Deed was already ineffective when the partial amount was tendered.

The Supreme Court affirmed the CA's ruling. The Deed was rightly a contract to sell, conditioning transfer upon complete payment, which was unmet by the petitioners. The petitioners' inconsistent payments invalidated claims for specific performance.

Doctrine:

- A Deed requiring full payment prior to transfer is a contract to sell, not a contract of sale.
- Failure to pay as stipulated in a contract to sell prevents vesting title to the buyer.
- Rights under RA 6552 (Maceda Law) accrue only to buyers who have paid at least two years of consistent installments.

Class Notes:

- **Contract to Sell:** Ownership transfer condition upon full payment.
- **RA 6552:** Buyer rights protection with two years of consistent payment.
- **Doctrines:**
 - Law of the case: binding only in the same case, not different proceedings.

- Res judicata: Final judgments on merits are conclusive for the same claim.
- Maceda Law compliance: Requires at least two years of consistent installment payments.
- **Jurisdictions**: Unlawful detainer rulings on possession do not conclusively adjudicate title or ownership disputes. Title issues determined in specific performance actions.

Historical Background:

- **RA 6552 (Maceda Law)**: Enacted for protection of real estate buyers on installment basis.
- **Real Estate Practices**: Contracts conditioning ownership transfer on complete payments were prevalent, necessitating statutory reforms for buyer protection.