

PACIFICO C. DEL MUNDO, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, ANTONIO, EUGENIA, DELFIN AND MARCIANA, ALL SURNAMED ALVAREZ, AND SIMPLICIO BALCOS, RESPONDENTS.

G.R. No. L-25788. April 30, 1980

Ponente: DE CASTRO, J.

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DE CASTRO, J.:

Petitioner seeks in this petition for certiorari to reverse in toto the decision of the Court of Appeals pro-mulgated on 3 January 1966 in CA-G.R. No. 28276-R, entitled "Antonio Alvarez, Eugenia Alvarez, Delfin Alvarez, Marciana Alvarez, and Simplicio Balcos, plaintiffs-appellants, vs. Isidra de la Cruz, Teodora Alvarez and Pacifico C. del Mundo, defendants-appellees, the dispositive portion of which reads:[1]

"WHEREFORE, the extrajudicial partition executed by Isidra de la Cruz and Teodora Alvarez on July 31, 1956 acknowledged before Notary Public Benjamin N. Domingo and recorded as document No. 143 on page 43, book 1, series of 1956 of his notarial registry, copy of which is attached to the records and marked as Exhibit G is hereby declared null and void and of no force nor effect.

"Transfer Certificate of Title No. 32529 of the land records for Quezon City is hereby declared cancelled and of no force and effect. In lieu thereof, the Register of Deeds of Quezon City is hereby ordered to issue a new Transfer Certificate of Title in the names of Antonio Alvarez, Eugenia Alvarez, Delfin Alvarez, Marciana Alvarez and Teodora Alvarez, as co-owners pro indiviso in the following proportions: To each of Antonio, Eugenia, Delfin, Marciana and Teodora all surnamed Alvarez, 13/75 share in full ownership and 2/75 share in naked ownership; to Isidra de la Cruz 10/75 share in full."

The Court of Appeals found undisputed the following facts.[2]

"Plaintiffs (herein private respondents) Antonio, Eugenia, Delfin and Marciana all surnamed Alvarez are legitimate children of Agripino Alvarez and his first wife Alejandra Martin. After the death of Alejandra Martin, Agripino Alvarez married Isidra de la Cruz in February 1927 and they had one child named Teodora Alvarez.

"On December 23, 1947, Agripino Alvarez died intestate, survived by his widow Isidra and his five children, the four plaintiffs and Teodora.

"On July 31, 1956, a public instrument entitled 'Extrajudicial Partition with Absolute Sale of Shares' was executed by the widow Isidra and her daughter Teodora Alvarez (Exhibit G) wherein, after reciting that they are 'the legal and absolute heirs, the first being the wife and the second, is the daughter of the deceased Agripino Alvarez', they adjudicated to them-selves in equal shares the property covered by Transfer Certificate of Title No. 42562 of the land records for Rizal and in the same instrument, both Isidra and her daughter Teodora sold the entire property to Pacifico C. del Mundo who registered the instrument in August 1956. As a result of such registration, Transfer Certificate of Title No. 32529 of the land records for Quezon City was issued in the name of del Mundo.

"On February 10, 1958, the children of Agripino by his first wife sold to Simplicio Balcos four tenths (4/10) undivided share in the property in question (which they claim as their share in the estate of their father). The deed of sale has never been registered.

"On May 31, 1958, said children by the first marriage of Agripino Alvarez and their vendee Simplicio Balcos brought the present action against Isidra de la Cruz and her daughter Teodora Alvarez as well as against the vendee Pacifico del Mundo before the Court of First Instance of Rizal, asking that judgment be rendered:

"1. Declaring the Extra-Judicial Partition with Absolute Sale of Shares Annex 'B', null and void;

"2. Declaring null and void T.C.T No. 32529, Registry of Deeds for Quezon City, and reviving T.C.T. No. 42562, Registry of Deeds for the Province of Rizal;

"3. Declaring the plaintiffs Alvarez' entitled to an undivided share of 1/10 each of the lot in question with right to dispose of the same;

"4. Ordering the defendant Pacifico C. del Mundo, married to Ester dela Cruz and plaintiff Simplicio Balcos to enter into an agreement or extra-judicial parti-tion of the property in accordance with their participation as purchasers of the shares of the original heirs;

"5. Ordering the defendants to pay attorney's fees in the sum of P1,000.00 and to pay the costs."

After trial, the Court of First Instance of Rizal rendered its decision[3] dated 20 June 1960 dismissing private respondents' complaint, holding that the property in question is the paraphernal property of Isidra de la Cruz.

Their motion for reconsideration of the above decision having been denied, private respondents appealed to the Court of Appeals the dispositive portion of whose decision was quoted at the beginning of this decision, said Court sustaining the appeal, thereby reversing the judgment of the lower court.

Only petitioner Pacifico del Mundo filed a motion for reconsideration which was, however, denied by the Court of Appeals on 21 February 1966.[4] Hence, the instant petition filed by him to review the decision of the appellate court, making the following assignment of errors.[5]

I

"THE COURT OF APPEALS ERRED IN DECLARING THE PROPERTY IN QUESTION AS CONJUGAL PROPERTY OF AGRIPINO ALVAREZ AND ISIDRA DE LA CRUZ AND NOT AS PARAPHERNAL PROPERTY OF ISIDRA DE LA CRUZ ALONE.

II

"THE COURT OF APPEALS ERRED IN ORDERING THE CANCELLATION OF TRANSFER CERTIFICATE OF TITLE NO. 32529 OF THE REGISTRY OF DEEDS OF QUEZON CITY WHICH IS IN THE NAME OF HEREIN PETITIONER-APPELLANT.

III

"THE COURT OF APPEALS ERRED IN ORDERING THE REGISTER OF DEEDS OF QUEZON CITY TO ISSUE A NEW TRANSFER CERTIFICATE OF TITLE IN THE NAMES OF ANTONIO ALVAREZ, EUGENIA ALVAREZ, DELFIN ALVAREZ, MARCIANA ALVAREZ AND TEODORA ALVAREZ AS CO-OWNERS PRO-INDIVISO IN THE FOLLOW-ING PROPORTIONS: TO EACH OF ANTONIO, EUGENIA, DELFIN, MARCIANA AND TEODORO, ALL SURNAMED ALVAREZ, 13/75 SHARE IN FULL OWNERSHIP AND 2/75 SHARE IN NAKED OWNERSHIP; TO ISIDRA DE LA CRUZ, 10/75 SHARE IN FULL."

The pivotal question thus presented in this petition is whether the property formerly covered by Transfer

Certificate of Title No. 42562 (Rizal) now Transfer Certificate of Title No. 32529 (Quezon City) is the conjugal property of Agripino Alvarez and Isidra de la Cruz or the paraphernal property of the latter alone. Petitioner maintains that it is the paraphernal property of Isidra de la Cruz as ruled by the lower court because of two grounds, namely:[6] "(1) the admission by Agripino Alvarez in Exhibit F, the deed of sale executed by Simplicio Dantes and Emilia Rivera of the property in question to Isidra de la Cruz, that the said property is 'Isidra's paraphernal property'; and (2) the said admission operates as estoppel against Agripino Alvarez and/or his heirs, namely, the respondents-appellees in the instant case, from claiming any interest in said property, adverse to that of Isidra de la Cruz and/or transferees, or persons privy to her."

Private respondents, on the other hand, seek to uphold the decision of the respondent Court of Appeals which, as aforesaid, ruled in favor of the conjugal nature of the property and discredited the evidence of petitioner, as well as that of his co-defendants in the court a quo, regarding the purchase of the property by Isidra de la Cruz prior to her marriage with Agripino, by saying, inter alia, that:[7]

"x x x If the sale by Juan Dantes and his wife to Isidra is true and was really not reduced to writing for the reasons given by Simplicio, why is it that Juan Dantes, in executing the deed of sale in favor of Simplicio, stated in the deed of sale that he sold the entire lot of over three hectares to Simplicio instead of stating that he previously sold a portion thereof to Isidra and the remainder to Simplicio? Had this been stated in the deed of sale to Simplicio, there would have been no need for Simplicio to execute Exhibit F in favor of Isidra de la Cruz.

"Moreover, if the property was really sold by Juan Dantes to Isidra in 1920 or 1921, as claimed by the defendants, why is it that in Exhibit F, Simplicio did not state so? Simplicio stated in said document (Exhibit F) that he was the one selling the lot to Isidra. Had he stated that he was merely transferring to Isidra the smaller lot which was not actually purchased by him from Juan Dantes, there would have been no necessity of making it appear in Exhibit F that the money used by Isidra was her own paraphernal property."

Apparently, the question is factual for it involves an examination of the probative value of the evidence presented by the litigants or any of them,[8] in order to determine the true nature of the property in question. While as a rule, the findings of fact of the Court of Appeals are final and conclusive and cannot be reviewed on appeal to this Court, one of the recognized exceptions to said rule is when the conclusion made is manifestly mistaken.[9] We are of the opinion that the ruling of the Court of Appeals is not per-suasive, and we are accordingly constrained to hold that it is in error in concluding that the property in question is conjugal.

The testimony of Marcela Bernal, which "was wholly corroborated by Simplicio Dantes and Valentina San Andres" as correctly observed by the lower court,[10] anent the sale of the questioned property to Isidra in 1920 or 1921 when the latter was then single, it having been admitted that Agripino married Isidra only in February 1927, appears to be un rebutted by the private respondents. They place reliance mainly on the deed of sale[11] executed by Simplicio Dantes and his wife in favor of Isidra de la Cruz, when the latter was already married and where in said deed, no mention was made about the sale by the original owners to Isidra. They lose sight of the fact, however, that this deed of sale was executed only for the purpose of recognizing or confirming the verbal sale made by the original owners to Isidra in 1920 or 1921, long before her marriage to Agripino in February 1927. This is the very reason why Agripino had to sign in said deed of sale, declaring that "the money with which Lot No. 1189-C was purchased from the spouses Simplicio Dantes and Emilia Rivera is her own money, and does not belong to our conjugal property, and therefore, the said Lot No. 1189-C, is her, Isidra's paraphernal property" (sic).[12] The declaration aforequoted is of the highest evidentiary value being one against the declarant's own interest. It may well be presumed that Agripino would not have made the said declaration unless he believed the same to be true, prejudicial as it is to his children's interests as his heirs, with his first wife. Good faith is always to be presumed, and a person always takes ordinary care of his concerns.[13] Against these presumptions, the

contrary must be clearly established and proven by sufficient evidence, which is clearly wanting in the instant case. No explanation was given why the aforesaid declaration should not be given due weight. It is significant to note that the same was made on 28 February 1941 or more than six (6) years prior to Agripino's death on 23 December 1947 without his having repudiated the same. Neither did the private respondents, as heirs, question said declaration. Agripino was, therefore, clearly in estoppel to deny his declaration. As such, he can lay no claim nor interest in the questioned property, nor can the private respondents do so, for the person from whom they claim to have succeeded to the property had no title thereto. Estoppel is effective even on successors in interest.[14]

Moreover, when the question is exclusively between husband and wife, or between one of them and the heirs of the other, the admission or acknowledgment of one spouse that the money used to purchase the property came from the other spouse, is evidence against the party making the admission or his heirs.[15] Likewise, where the husband has been a party to an act of purchase of immovable property in the name of his wife, which recited that the purchase was made with paraphernal funds, and that the property was to be and remain paraphernal property, neither he nor his heirs can be permitted to go behind the deed and contest the wife's title to the property by claiming that it is conjugal.[16] Since the property is the paraphernal property of Isidra, the same having been acquired by her prior to her marriage with Agripino[17] and having been purchased with her exclusive or private funds[18] any declaration to the contrary made by her, as well as that of her child, cannot prevail nor change the character of the property in question. The extra-judicial partition was evidently an expedient only to facilitate the sale without giving rise to any question as to the legality of the transmission of the property to Isidra and his daughter, as the death of Agripino Alvarez may occasion, for the better protection of the vendee, the petitioner herein. If the property were conjugal, the private respondents would have been made parties to the extra-judicial partition and made signatories thereto. As the Court of First Instance aptly observed:

"The Court believed that the Deed of Extra-Judicial Partition submitted in the case at bar cannot affect or change the paraphernal character of the property in question. x x x Since the deceased Agripino Alvarez has formally and categorically declared that he has no right or interest whatsoever in the property in question, the same being paraphernal, it follows that his heirs, the plaintiffs herein, have not inherited any portion or right in the property, as the heirs merely step into the shoes of the decedent.

"Moreover, the law does not provide that separate property becomes conjugal simply by reason of an extra-judicial partition after the death of one spouse, or by erroneous conclusions or declarations made later. The Court has noticed that defendant Isidra de la Cruz affixed only her thumb-mark on the deed of extra-judicial partition; it is therefore obvious that she is illiterate and does not know the technical intricacies of the law of property. Reason and justice demand that acts done beyond the manifest understanding of illiterates must not be used to deprive them of their acquired rights or their property, or as a weapon to work injustice upon them. Hence, the Court is of the opinion that in the instant case the money used in the purchase of the property subject of liti-gation is the exclusive money of defendant Isidra de la Cruz."

From what has been said on the foregoing, We find the first two assigned errors to be well taken. Since the pro-property involved in this case is the paraphernal property of Isidra, it follows that the Court of Appeals erred in order-ing the cancellation of Transfer Certificate of Title No. 32529 of the Registry of Deeds of Quezon City which is in the name of herein petitioner. The sale between Isidra and here-in petitioner is a perfectly valid sale, although in the document drawn,[19] the property was erroneously treated as conjugal. No valid reason is shown to invalidate the same, especially so where the persons, herein private respondents, claiming to be entitled to a portion thereof have been shown to have neither interest nor title thereto.

And finally, the third assigned error is likewise meritorious. As stated beforehand, the Court of Appeals found that the property in litigation is the conjugal pro-property of the spouses Agripino Alvarez and Isidra de la Cruz. Granting

that finding to be true, said Court should have first liquidated the conjugal partnership of the spouses and adjudicate one half of the property in favor of the surviving spouse Isidra, in full ownership;^[20] and the other half, to the deceased husband's heirs, wherein Isidra shall likewise be entitled to a portion thereof in usufruct equal to that corresponding by way of legitime to each of the legitimate children or descendants who has not received any betterment^[21] to be taken from the third at the free disposal of the deceased parent.^[22] This, said Court did not do. Instead, in designating the fractional shares of Agripino's heirs, it had treated the property as his capital alone. The dispositive portion, therefore, is in conflict with the basic finding of said Court, which actuation was branded by the petitioner as a showing of "seeming partiality".^[23] Hence, the questioned decision is a nullity, giving justification for its reversal and for Us to revert to that of the lower court.

UPON THE FOREGOING CONSIDERATIONS, the decision appealed from should be, as it is hereby, REVERSED and the complaint filed by the private respondents' DISMISSED. No pronouncements as to costs.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Fernandez, Guerrero, and Melencio-Herrera, JJ., concur.

[1] pp. 9 and 10, CA decision, Annex "A" to Petition, p. 21, Rollo.

[2] pp. 1-3, Ibid.

[3] pp. 40-50, CFI decision, Record on Appeal, p. 43, Rollo.

[4] Annex "C" to Petition, p. 38, Rollo.

[5] pp. 10 and 11, Brief for Petitioner-Appellant, p. 62.

[6] pp. 11 and 12, Ibid.

[7] p. 5, CA decision, supra.

[8] Vda. de Arroyo vs. El Beaterio del Santissimo Rosario de Molo, 23 SCRA 525.

[9] Ramos vs. Pepsi Cola Bottling Co., 19 SCRA 289; de Luna vs. Limatok, 74 Phil. 15.

[10] p. 47, CFI decision, supra.

[11] Exhibit 1 - del Mundo, p. 18, Record on Exhibits.

[12] Ibid.

[13] Sec. 5-d, Rule 131, Rules of Court.

[14] Art. 1439, Civil Code of the Philippines.

[15] p. 393, Tolentino, Commentaries on the Civil Code of the Philippines, citing 9 Manresa 618.

[16] p. 394, Ibid, citing Drum vs. Kleinman, 31 La. Ann 124; Kervin vs. Hibernia Ins. Co., 35 La. Ann. 33.

[17] Arts. 135 and 148 (1), Ibid; Tabotabo vs. Molero, 22 Phil. 418.

[18] Hartske vs. Frankel, 54 Phil. 156; Gefes vs. Salvio, 36 Phil. 221.

[19] Exhibit G, pp. 6 and 7, Record on Exhibits.

[20] Art. 1392, Civil Code of 1889.

[21] Art. 834, Ibid.

[22] Art. 839, Ibid.

[23] p. 20, Brief for Petitioner-Appellant, supra.

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