

ROBERTO RAMA, PLAINTIFF-APPELLEE, VS. WILFREDO RAMA, EMELINO LIM AND THE REGISTRAR OF DEEDS OF PALAWAN, DEFENDANTS-APPELLANTS.

Ponente: BRUSELAS, JR. J.

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BRUSELAS, JR. J.:

The appellant appeals from the Order[1] of the Regional Trial Court (RTC) which declared null and void the “Declaration of Heirship With Simultaneous Sale”, “Deed of Absolute Sale”, “Petition to Split” and ordered the cancellation of Transfer Certificate of Title No. T-17554 as well as the annotations on Original Certificate of Title No. E-9674. The dispositive portion of the decision reads:

“WHEREFORE, Judgment is rendered:

1. Declaring as null and void the Declaration of Heirship with Simultaneous Sale of Portion executed before notary public Leopoldo Mario P. Legazpi under Doc. No. 197, Page No. 41, Book No. XX, Series of 2004;
2. Declaring as null and void the Deed of Absolute Sale executed before notary public Leopoldo Mario P. Legazpi under Document No. 196, Page No. 41, Book No. XIX, Series of 2004;
3. Declaring as null and void the Petition to Split executed before notary public Peter Maristela under Document No. 014, Page No. 03, Book No. 011;
4. Ordering the Register of Deeds of Palawan to cancel Transfer Certificate of Title No. T-17554 in the name of Emelino V. Lim; and
5. Ordering the Register of Deeds of Palawan to cancel all entries of annotation on Original Certificate of Title No. E-9674 pertaining to the above-mentioned Declaration of Heirship with Simultaneous Sale of Portion, Deed of Absolute Sale and Petition to Split such that Lot PSU-214959 is not altered in any size or portion and not sold to anyone under the above-mentioned documents declared as null and void.”

SO ORDERED.”[2]

Likewise assailed is the Order[3] which denied the appellants' motion for reconsideration for lack of merit.

The material and relevant facts are as follows:

The subject parcel of land was registered in the name of the heirs of late Teofilo A. Rama, Sr. under Original Certificate of Title No. E-9674[4] by virtue of a Free Patent grant issued in their favor in 1992. It has an area of 5,123 square meters and designated as PSU 214959 identical to Lot No. 69, Cad 841-D. The heirs did not formally partition the land among themselves. On 22 May 2001, the heirs, namely: Whelma Rama Bautista, Lamberto Rama, Roberto Rama, Albert Rama and Salvador Rama appointed and constituted appellant Wilfredo Rama (“Wilfredo”), a co-heir and co-owner, to be their true and lawful attorney-in-fact to do and perform the following acts:

- “1. To sell, offer for sale and or negotiate for the sale of a parcel of land situated at Poblacion, Taytay, Palawan

and covered by OCT No. E-9674 in favor of any person interested to buy the same in such sum as our Attorney-in-Fact may fixed;

2. To sign, execute and deliver the necessary Deed of Sale or any deed of conveyance or transfer in favor of the buyer;

3. To accept the purchase price;

4. To perform such other acts and deeds which are necessary and required to accomplish the powers granted him.

HEREBY GIVING AND GRANTING unto our said Attorney-in-Fact full power and authority whatsoever requisite or proper to be made in or about the premises as fully to all intents and purposes and hereby approving all that our said Attorney-in-Fact shall lawfully do by virtue of these presents as WE might or could lawfully do if personally present.”[5]

Another Special Power of Attorney (SPA), executed by the other heirs, Arcadio Rama and Teofilo Rama, Jr., on 26 March 2003 likewise appointed and constituted Wilfredo as their attorney-in-fact for the same acts aforementioned.[6]

In February 2004, Wilfredo, acting as co-heir, vendor and attorney-in-fact, executed a Declaration of Heirship with Simultaneous Sale of Portion[7] of the subject parcel of land declaring that the heirs have caused the subdivision of the land into three (3) distinct lots known and designated as Lot 69-A, Lot 69-B and Lot 69-C; and that for and in consideration of P440,000.00, the heirs desired to sell and convey Lot 69-B, containing an area of 2,193 square meters, in favor of appellant Emelino Lim (“Lim”). Meanwhile, Wilfredo, representing his co-heirs and co-owners, filed a Petition[8] before the Register of Deeds of Palawan and sought that separate titles corresponding to the 3 lots be issued under the names of the heirs (for Lot 69-A and 69-C) and under the name of Lim (for Lot 69-B).

Relying on the SPA, Wilfredo executed a Deed of Absolute Sale[9] conveying Lot 69-B with an area of 2,193 square meters, in favor of Lim upon payment of the sum of P440,000.00. Transfer Certificate of Title No. T-17554[10] over the said lot was accordingly issued in the name of Lim.

The foregoing acts of Wilfredo were opposed by appellee Roberto Rama (“Roberto”). The latter filed a complaint before the trial court to declare the nullity of the said instruments as well as to order the cancellation of the title issued to Lim. He claimed that the special power of attorney to sell the subject parcel of land did not include the authority to sell a portion of the said land. He argued that as a co-owner of the property, his consent was necessary before the subject parcel of land can be subdivided into 3 distinct lots. Because the heirs have not yet agreed on a partition, Roberto asserted that there was no basis for Wilfredo to unilaterally subdivide and ask for a separate title on any portion of the subject land.

Wilfredo, for his part, argued that the special power of attorney did not expressly prohibit him from selling piecemeal the subject parcel of land or limit the sale to just one transaction or one buyer. He further argued that he still acted within the scope of his authority because his act of selling a portion of the land in question was more advantageous to the principals in view of Articles 1881 and 1882 of the New Civil Code, by saving the entire property from certain loss due to a mortgage thereon.

Via the 23 March 2011 order, the trial court granted Roberto's complaint and held that the sale of a portion of the parcel of land was not within the letters establishing the power granted to Wilfredo as attorney-in-fact. The trial court thus ratiocinated as follows:

“The parties' consensus in this case can be decided on the basis of the allegations in the pleadings as the only

issue to be resolved is whether defendant Rama has full authority under the Special Power of Attorney subject of this case to sell a portion of the lot instead of the entire lot referred to in the special power of attorney. It is an axiomatic rule that the delegation of authority is strictly construed against the agent and that the powers given must be understood in the literal sense of the words constituting the text of the special power of attorney. As raised correctly by the plaintiff, the power granted to defendant Rama is to sell a particular lot. The text of the special power of attorney is clear that the power to sell relates to “the sale of a parcel of land”. It does not mention the sale of a portion of the parcel of land. The “parcel of land” is identified as the lot “covered by OCT No. E-9674 and the sale is in favor of any person interested to buy the same and not a portion of the said lot. The said title pertains to Lot No. PSU-214959, identical to Lot No. 69, Cad 841-D and the sale of any other lot of a different size or shape is not within the contemplation of the letters constituting the power given to the attorney in fact.

When defendant sold only a portion of the lot covered by OCT No. E-9674 the sale cannot be under the authority granted by the Special Power of Attorney. The contention of defendant that there is no limitation on what can be sold under the Special power of attorney is misplaced. The very specific identification of what is to be sold is the very limitation itself such that more or less than what is identified and pertained to in the Special Power of Attorney cannot be concluded to be covered by the powers granted.”[11]

Aggrieved, the appellants appeal to the Court and find fault with the RTC for declaring null and void the conveyance of Lot 69-B in favor of Lim as well as the corresponding instruments executed by Wilfredo as attorney-in-fact of his co-owners. They assign the sole error allegedly committed by the court a quo:

“THE HONORABLE REGIONAL TRIAL COURT OF PALAWAN AND PUERTO PRINCESA CITY, BRANCH 51, ERRED IN DECLARING THE TRANSACTION BETWEEN APPELLANTS WILFREDO RAMA AND EMELINO LIM AS NULL AND VOID FOR HAVING BEEN EXECUTED WITHOUT AUTHORITY ON THE PART OF APPELLANT WILFREDO RAMA”

The appellants assert that there is nothing in the special power of attorney that instructed Wilfredo or restricted his authority, to sell the entire parcel of land at once and not merely a portion of said land or, limit the sale to a single transaction or to one buyer. They argue that the authority was not exceeded where the power to sell the whole includes the power to sell a portion. They further assert that Wilfredo was not even precluded from selling the remaining portion of the subject parcel of land to another or even to the same buyer.

The assertions of the appellants are not worth considering.

In the absence of an approved partition among the heirs, the land in question remains a community property over which the heirs are entitled to exercise the right of dominion including the right to enjoy and dispose of the property.

Article 1874 of the New Civil Code plainly provides:

“Art. 1874. When a sale of a piece of land or any interest therein is through an agent, the authority of the latter shall be in writing; otherwise, the sale shall be void.”

Also, under Article 1878[12], a special power of attorney (SPA) is necessary for an agent to enter into a contract by which the ownership of an immovable property is transmitted or acquired, either gratuitously or for a valuable consideration. For the principal to confer the right upon an agent to sell a land, a power of attorney must so express the powers of the agent in clear and unmistakable language. When there is any reasonable doubt that the language so used conveys such power, no such construction shall be given the document.[13]

By virtue of the SPA, Wilfredo was granted the power to sell and convey the subject parcel of land covered by OCT No. E-9674. Wilfredo, however, circumvented the agency and proceeded with the actions not specified by

his principals.

For one, he caused the subdivision of the land into 3 distinct lots, in the following manner: (a) Lot 69-A – 2,624 square meters; (b) Lot 69-B – 2,193 square meters; and (c) Lot 69-C – 306 square meters. Nowhere in the four specified acts enumerated on the SPA can there be gleaned an authority to subdivide the property, much less partition the same into 3 portions. Article 491 of the New Civil Code, emphasizes the indispensability of consent of the co-owners should alterations be made in the thing owned in common although a benefit for all would result therefrom. Further, Article 496 of the same Code provides that a partition can only be carried out by agreement between the parties or by judicial proceedings. In spite of the aforementioned laws, Wilfredo caused the partition of the subject parcel of land by carrying out a subdivision survey of the land. The result of the subdivision will defeat the purpose of the agency to sell the entire parcel of land to realize its full market value. It left one portion substantially smaller compared to the two other sub-lots. The uneven and unequal subdivision will cause a distortion in the price that may be commanded by the lot as a whole.

For another, the petition filed by Wilfredo for the issuance of separate titles corresponding to the 3 portions further stretches the boundaries of the SPA. We view the desire of Wilfredo, to have each portion its corresponding separate title, to be inconsistent and not germane to the purpose of the SPA. There is nothing at all in the SPA that literally or even figuratively speaks about splitting of the mother title to correspond to a piecemeal sale and conveyance. This act, evidently, is an ultra vires act which is clearly beyond the scope of Wilfredo's authority and thus cannot bind the principals.[14] There is also no showing that the co-owners were notified of the said petition. The absence of an authority to file the said petition to issue new titles makes the act void and whatever action the Registrar of Deeds may have performed via such a petition cannot be given any effect.

Lastly, the deed of absolute sale likewise suffers a substantial defect just like the others. Powers of attorney are generally construed strictly and courts will not infer or presume broad powers from deeds which do not sufficiently include a property or subject under which the agent is to deal.[15] The general rule is that the power of attorney must be pursued within legal strictures, and the agent can neither go beyond it; nor beside it. The act done must be legally identical with that authorized to be done.[16] In the herein SPA, what was provided was to sell and convey “a parcel of land situated at Poblacion, Taytay, Palawan and covered by OCT No. E-9674”, with an area of 5,123 square meters and designated as PSU 214959 identical to Lot No. 69, Cad 841-D. The deed of sale, on the other hand, only covers a portion, i.e., Lot 69-B, containing an area of 2,193 square meters. In the case on hand, the consent of the co-owners to the assailed piecemeal sale provisions in the deed of absolute sale was not obtained; hence, the assailed provisions are not binding on them. If the principals did allow Wilfredo to convey the subject land by piecemeal or by several transactions, the SPA ought to have so expressly provided. That it did not, can only mean that it was not so intended.

Given the clear provisions of the SPA, the other circumstances obtaining and the duty of a lot purchaser to exercise due diligence, it can be concluded that Lim, as a third person and buyer of a portion of the land in question, cannot be deemed as an innocent purchaser. Wilfredo was granted the specific authority to sell an entire parcel of land, which he co-owned with his siblings per OCT No. E-9674 and this was clearly provided in the SPA. The instruction from the principals under which Wilfredo could deal was plain and simple and needed no interpretation. Lim, therefore, can be said to have full knowledge that Wilfredo exceeded his authority especially that he did not manifest before the trial court that he was shown with another SPA with different provisions or conditions allowing Wilfredo to offer and sell to him a portion of the subject land. Because Lim appears to be aware of the limits of the powers granted by the principals to Wilfredo, the deed of sale becomes void.[17]

Given all of the foregoing, the trial court had factual and legal bases in declaring the subject instruments null and void and in consequently cancelling Lim's title as well as the annotations on the OCT No. E-9674. In fine, we do

not find the appeal to be with ample bases to disturb the findings of the RTC.

WHEREFORE, the appeal is DENIED. The assailed orders 23 March 2011 and 23 September 2013 are consequently AFFIRMED.

IT IS SO ORDERED.

Bueser and [*]Reyes Carpio, JJ., concur.

[*] Acting Junior Member per Office Order No. 81-15-ABR dated 16 March 2015.

[1] Issued by Acting Presiding Judge Perfecto E. Pe, RTC, Branch 51 of Palawan and Puerto Princesa City in Civil Case No. 3994, Record, p. 179.

[2] Record, p. 182.

[3] Record, p. 199.

[4] Record, p. 12.

[5] See Special Power of Attorney, record, p. 16.

[6] See annotation on OCT No. E-9674, entry no. 147057, record, p. 13.

[7] Record, p. 18.

[8] Record, p. 33.

[9] Record, p. 39.

[10] Record, p. 15.

[11] Record, p. 181.

[12] Article 1878(5) provides:

Art. 1878. Special powers of attorney are necessary in the following cases:

xxx xxx xxx

(5) To enter into any contract by which the ownership of an immovable is transmitted or acquired either gratuitously or for a valuable consideration.

[13] Pahud, et al. vs. Court of Appeals, GR No. 160346, 25 August 2009, 613 Phil. 367.

14Art. 1910 of the New Civil Code.

“xxx xxx xxx

As for any obligation wherein the agent has exceeded his power, the principal is not bound except when he ratifies it expressly or tacitly.”

[15] Woodchild Holdings, Inc. vs. Roxas Electric and Construction Company, Inc., GR No. 140667, 12 August 2004, 436 SCRA 235.

[16] Id.

[17] Art. 1898 of the Civil Code.

“If the agent contracts in the name of the principal, exceeding the scope of his authority, and the principal does not ratify the contract, it shall be void if the party with whom the agent contracted is aware of the limits of the powers granted by the principal. In this case, however, the agent is liable if he undertook to secure the principal's ratification.”

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