

VALENTINA CADIZ, ET AL., PLAINTIFFS AND APPELLANTS, VS. FRANCISCO NICOLAS, DEFENDANT AND APPELLANT.

G.R. No. L-9198. February 13, 1958

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/75e22fc1bd18/>

BAUTISTA ANGELO, J.:

On February 3, 1937, the Government granted a homestead patent to Domingo Cadiz over a piece of land situated in Angadanan (now Alicia), Isabela, containing an area of 22.5758 hectares for which Original Certificate of Title No. 1-4243 was issued on March 20, 1937, pursuant to the provisions of the Public Land Law.

On December 26, 1939, Cadiz obtained a loan of P1,000 from Francisco Nicolas which was evidenced by a public document subject to the following conditions: (a) that the loan must be paid at the end of February, 1942; (b) that it shall not bear any interest, but Cadiz shall temporarily cede to Nicolas a portion of two hectares for the latter to cultivate from the date of the document to the end of February, 1942; (c) that the palay to be gathered from said portion shall be for the exclusive benefit of Nicolas, the purpose being to have the homestead open for cultivation; and (d) that should Cadiz fail to pay the loan on February 28, 1942, he shall convey to Nicolas by absolute sale the entire homestead and if he should fail to comply with his promise to effect the transfer, and Nicolas or his heirs should bring an action in court for the enforcement of the agreement, Cadiz shall pay the expenses incident to the litigation, including attorney's fees, which were fixed at P200.

On December 8, 1941, the Pacific war broke out and as a result Cadiz and Nicolas failed to see each other until the month of February, 1943 when they again talked about the loan, the latter reminding the former that if he was not able to settle it he should make good their understanding relative to the absolute transfer of the land in payment thereof. As Cadiz was not then in a position to return the loan, he agreed to have a contract of sale executed and so on February 28, 1943, Nicolas, accompanied by a notary public and two witnesses went to the house of Cadiz at barrio Viga, Angadanan, Isabela where then and there they executed the deed of sale Exhibit 2. Although in said document it was stated that the consideration of the sale was the sum of P1,000.00, the same however was not actually paid by the vendee because it merely represented the loan which the vendor had previously contracted sometime in December, 1939. Upon the advice of the notary public, Nicolas sent the original and one copy of the deed of sale to the Secretary of Agriculture and Natural Resources for his approval as required by law, and after the same had been obtained, the original was brought to the Register of Deeds who issued the corresponding certificate of title in the name of the vendee, Francisco Nicolas.

On January 29, 1951, Domingo Cadiz, claiming that the deed of sale Exhibit 2 was either fictitious or null and void, commenced the present action in the Court of First Instance of Isabela praying that the new title issued in the name of Francisco Nicolas be cancelled and that he be restored to the ownership and possession of his homestead. He also asked that he be awarded P10,000 as damages, costs and attorney's fees. But during the pendency of this case, or on November 17, 1952 to be exact, Domingo Cadiz died and upon motion for substitution duly entered therein, he was substituted as party plaintiff by his surviving heirs, his daughters Valentina Cadiz, Jovita Cadiz and Maria Cadiz in an order issued by the court on December 9, 1952.

The lower court after due hearing entered judgment as follows: "(a) ordering the defendant to return to the plaintiffs the possession of the land described in Transfer Certificate of Title No. T-415 upon receipt of the sum of P546.69 from the plaintiffs who are ordered to pay said amount to the defendant; (b) ordering the defendant to surrender to this Court Transfer Certificate of Title No. T-415; and (c) ordering the Register of Deeds of Isabela to cancel Transfer Certificate of Title No. T-415 and issue in lieu thereof another Transfer Certificate of Title in the name of Domingo Cadiz. Without pronouncement as to costs." From this decision, both parties appealed directly to this Court on the ground that the only issues they would raise are purely of law.

The issues posed by plaintiffs-appellants are: (a) that the lower court erred in computing the damages awarded to them based upon 2 hectares only when it should be upon 19 hectares of the land in question; (b) that the lower court erred in not ordering defendant to pay the loan he obtained from the Rehabilitation Finance Corporation to secure which he mortgaged the land in question; and (c) the lower court erred in ordering that the new title be issued in the name of Domingo Cadiz, now deceased, instead of in the name of his three daughters, the present plaintiffs-appellants.

Defendant-appellant on the other hand raised two issues, namely: that the lower court erred (a) in not dismissing the amended complaint for lack of legal capacity to sue of plaintiffs; and (b) in declaring null and void the deed of sale executed by Domingo Cadiz in favor of Francisco Nicolas on February 28, 1943 covering the land in question.

We will first take up the issues posed by plaintiffs-appellants.

As regards the first issue, it is contended that the lower court erred in computing the damages to be awarded to the plaintiffs by taking as basis a portion of 2 hectares of the land in question when it should be 19 hectares because it was admitted by defendant-appellant that he had been in actual possession of the land in 1943 and cultivated 19 hectares thereof since 1948 until 1954. On this point, the lower court found: "The parties have stipulated that the produce in palay per hectare is 25 cavans. But the plaintiffs failed to adduce evidence as to the number of hectares under cultivation in 1947 when plaintiffs' predecessor-in-interest, Domingo Cadiz, was turned out of possession. We may safely conclude that 2 hectares at least were placed under cultivation by the defendant (Exhibit '1')." (*Italics supplied*). Considering that the question raised is one of fact, which runs counter to what was found by the trial court, the same cannot now be looked into, this appeal having been taken on purely questions of law.

The second issue is well taken. Since the loan obtained from Rehabilitation Finance Corporation was taken advantage of by the defendant-appellant and our conclusion is that the deed of sale Exhibit 2 is null and void and so he should return the possession of the land in question, it is meet and proper that he be the one to pay that loan and that he relieve the property from the encumbrance. It must only be due to an oversight that no pronouncement on this matter was made by the lower court in its decision.

With regard to the third issue, it appearing that the original owner has already died, the title of the land cannot be transferred to the heirs without proper settlement of the estate, either judicially or extrajudicially. This step is necessary to protect the interest of the creditors. So it is not proper that at this stage the title be placed in the name of the heirs and, consequently, the lower court did not err on this score.

This brings us to the consideration of the errors assigned by defendant-appellant.

The first error refers to the lack of personality to sue of plaintiffs-appellants. It is contended that since these plaintiffs are married women they have no legal standing in this case unless joined by their respective husbands. This contention cannot be seriously taken for two reasons: (1) because when this objection was raised, the defendant had already filed his answer to the complaint and the plaintiffs had finished presenting their evidence.

The objection is therefore a belated one or one raised after a responsive pleading had been submitted and it is a settled rule in this jurisdiction that after issues had been joined, all objections that the defendant may set up to the complaint are deemed waived with the exception only of that which refers to lack of jurisdiction over the subject matter which may be raised at any stage of the proceeding and failure to state a cause of action (Section 10, Rule 9, Rules of Court). And (2) because the plaintiffs-appellants are not the original plaintiffs as they were taken in only when their father Domingo Cadiz died and their substitution became necessary as required by the rules (section 17, Rule 3). As the real parties in interest, they have therefore the right to come into the case in representation of their father even in the absence of their respective husbands.

There is also no merit in the second error. Section 118 of Commonwealth Act 141 provides:

"SEC. 118. Except in favor of the Government or any of its branches, units, or institution, lands acquired under free patent or homestead provisions shall not be subject to encumbrance or alienation from the date of the approval of the application and for a term of five years from and after the date of issuance of the patent or grant, nor shall they become liable to the satisfaction of any debt contracted prior to the expiration of said period, but the improvements or crops on the land may be mortgaged or pledged to qualified persons, associations, or corporations.

"No alienation, transfer, or conveyance of any homestead after five years and before twenty-five years after issuance of title shall be valid without the approval of the Secretary of Agriculture and Commerce, which approval shall not be denied except on constitutional and legal grounds." (As amended by Commonwealth Act No. 456.)

It clearly appears from the above that a parcel of land acquired under free patent or homestead provisions can not become liable to the satisfaction of any debt contracted prior to the expiration of 5 years from and after the date of the issuance of the patent, except in favor of the Government or any of its branches. This provision is mandatory. Its purpose is to give to the homesteader a place where to live with his family so that he may become a happy citizen and a useful member of our society (*Jocson vs. Soriano*, 45 Phil., 375, 379). That the deed of sale in question comes under this prohibition is evident. In the first contract evidencing the loan taken by Domingo Cadiz, it was expressly agreed that if said loan is not paid, Cadiz would be bound to sell the property to Nicolas for the same amount of the loan and true to this agreement, the deed of sale Exhibit 2 was executed. It also appears that the loan was obtained before the expiration of the 5-year period from the issuance of the patent. It cannot therefore be disputed that the land was sold to Nicolas practically to satisfy a debt contracted prior to said period which is the very event which the law seeks to prevent. This has been adopted in order that the purpose of the Homestead Law may not be defeated. And it is immaterial whether the satisfaction of the debt be made either by a voluntary sale or through judicial process as when the property is levied upon and sold at public auction, because the spirit of the law may be defeated either way. We therefore hold that the trial court did not err in declaring the sale null and void as contravening Section 118 of Commonwealth Act 141. (*Beach vs. Pacific Com. Co.*, 49 Phil., 765; *Francisco vs. Parsons Hard. Co.*, 67 Phil. 234; *Gonzalo Puyat & Sons vs. De las Alas*, 74 Phil, 3).

With regard to the motion for new trial filed by defendant-appellant, we also find that the alleged newly discovered evidence would not affect the conclusion we have reached for even if it be shown, as is actually the case, that the sale of the homestead was made with the approval of the Secretary of Agriculture and Natural Resources, said sale would still be null and void for having been done to satisfy a debt contracted prior to the expiration of the period of 5 years. Said motion is therefore denied.

Wherefore, the decision appealed from is affirmed, with the addition that defendant-appellant should pay the loan he obtained from the Rehabilitation Finance Corporation and free the land in question from the encumbrance he created thereon as a security for that loan. No pronouncement as to costs.

Paras, C.J., Bengzon, Padilla, Montemayor, Reyes, A., Labrador, Concepcion, Reyes, J.B.L., Endencia, and Felix, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.