

FELIX DE VILLA, PLAINTIFF-APPELLEE, VS. JOSE JACOB AND CECILIA BADURIA (DECEASED), ALFREDO JACOB (LEGAL REP-RESENTATIVE AND HEIR), DEFENDANTS-APPELLANTS.

G.R. No. L-29420. November 14, 1988

Ponente: PARAS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/d37e37e95434/>

PARAS, J.:

This is an appeal from the decision of the then Court of First Instance of Camarines Sur[*] dated November 22, 1961, ordering the defendants-appellants to pay the plaintiff-appellee within ninety (90) days from the finality of the judgment, the sum of P218,000.00 together with interest at 6% per annum on the amount of P150,000.00, until fully paid, and should they fail to do so, the property covered by TCT No. 972 in their names shall be sold at public auction to satisfy the judgment and the expenses of the sale, but the defendants-appellants shall not be liable for any deficiency that may remain after the sale. The appeal was filed in the Court of Appeals but it was certified to this Court on the ground that the amount adjudged in favor of the plaintiff-appellee is P218,000.00, exclusive of interest and costs (CA Resolution, Rollo, pp. 53-58).

The factual background of this case is as follows:

On April 18, 1944, Cesario Fabricante constituted a mortgage on two parcels of land in favor of Felix de Villa, herein plaintiff-appellee, to secure a loan of P150,000.00 in Japanese War Currency. One parcel which is paraphernal property of his wife, Maria Garchitorena, is covered by TCT No. 15 and the other is covered by TCT No. 50. After the war, the owner's copy of TCT No. 15 was missing in the Office of the Register of Deeds of Camarines Sur, but the Original Certificate of Title No. 1109 which was cancelled and substituted by TCT No. 15 was still intact in said office.

On November 7, 1949, Maria Garchitorena sold the land covered by TCT No. 15 to the spouses Jose Jacob and Cecilia Baduria, herein defendants-appellants. When the spouses Jacob sought reconstitution of TCT No. 15, Felix de Villa succeeded in having his mortgage lien annotated in the new TCT No. 972 which was issued to them.

The debt not having been paid, de Villa instituted an action against the spouses Fabricante in the Court of First Instance of Camarines Sur for the foreclosure of the mortgage.

The trial court rendered judgment ordering Cesario Fabricante to pay Felix de Villa the sum of P16,666.66 with interest at the rate of 6% per annum from April 18, 1944 and upon failure to pay the same within a period of ninety (90) days, to have the property covered by TCT No. 50 sold for the satisfaction of the judgment. With respect to the land covered by TCT No. 15, the foreclosure of the mortgage was not decreed because the same had been sold to Jose Jacob and Cecilia Baduria who were not parties to the case.

The trial court said:

"Only the defendant Cesario A. Fabricante is liable for the payment of this amount because it does not appear

that the other defendant Maria G. de Fabricante had authorized Cesario A. Fabricante to contract the deed also in her name. The power of attorney was not presented and it is to be presumed that the power was limited to a grant of authority to Cesario A. Fabricante to mortgage the parcel of land covered by Transfer Certificate of Title in the name of Maria G. de Fabricante." (pp. 31-32, Record on Appeal; Rollo, p. 15)

From this decision, plaintiff appealed to the Court of Appeals, but because of the amount involved which was more than P50,000.00, the case was certified to the Supreme Court under Section 17 of R.A. No. 296.

Hence, in the appeal entitled "De Villa v. Fabricante et al" (105 Phil. 672), this Court ruled that there is a difference between authority to mortgage and authority to contract obligation and as the power of attorney was not presented as evidence, the trial court did not err in presuming that the authority of Cesario Fabricante was limited to the execution of the mortgage, insofar as the property of his wife is concerned. This decision has become final.

Since the land covered by TCT No.15 was already sold to the spouses Jacob, the foreclosure proceedings resulted only in the sale of the land covered by TCT No. 50 which obtained a price of P40,000.00 in partial satisfaction of mortgage creditor's claim.

On March 30, 1960, de Villa instituted another action (Civil Case NO 4880), this time against Jose Jacob and Cecilia Baduria to foreclose the mortgage on the land originally belonging to Maria Garchitorena and to have the same publicly sold in order to satisfy the deficiency judgment in favor of de Villa in the amount of P218,000.00 as of April 21, 1961, exclusive of the yearly interest in the sum of P9,000.00 since that date. The defendants moved to dismiss the case for lack of cause of action. Their opposition centers on the lack of authority of Cesario Fabricante to mortgage his wife's paraphernal property, the power of attorney allegedly executed by the wife in favor of her husband not having been presented before the court. They further contended that at the time of the sale on November 7, 1949, they were not aware of any pre-existing lien or encumbrance on said property and they relied exclusively on the representation of the vendor-owner that the property has no lien or encumbrance. They came to know about the mortgage only when de Villa was able to annotate his mortgage lien on April 24, 1951, by virtue of a court order in Sp. Proc. Nos. 257 and 379, when TCT No. 15 was reconstituted.

After due hearing, the trial court, relying on the provision of the mortgage deed which recites that it was made and entered into by Cesario Fabricante in his own behalf and in behalf of his wife, Maria Garchitorena, pursuant and by virtue of a power of attorney granted by his wife in his favor, rendered its judgment as already above stated, that is, holding both Fabricante and his wife liable for the indebtedness.

Hence, this appeal with the following assignments of error:

I

THE LOWER COURT ERRED IN HOLDING THAT THE MORTGAGE DEED, EXHIBIT "B", A COPY OF WHICH IS ATTACHED TO THE COMPLAINT AS ANNEX "A", IS BINDING ON MARIA GARCHITORENA DE FABRICANTE, AND ON HER PARAPHERNAL PROPERTY INVOLVED IN THIS CASE.

II

THE LOWER COURT ERRED IN HOLDING THAT IT HAS BEEN SUFFICIENTLY ESTABLISHED THAT CESARIO FABRICANTE HAS BEEN AUTHORIZED BY HIS WIFE TO MORTGAGE HER PROPERTY INVOLVED IN THIS ACTION.

III

THE LOWER COURT ERRED IN HOLDING THAT THE TESTIMONY OF MARIA GARCHITORENA

DE FABRICANTE WAS NOT SUFFICIENT TO OVERCOME THE RECITALS OF THE MORTGAGE DEED IN QUESTION. (pp. 1-20, Brief for the Defendants-Appellants)

The main issue in this case is whether or not the real estate mortgage constituted by Cesario Fabricante in favor of Felix de Villa is binding upon the paraphernal property of his wife.

It will be noted that this issue has already been decided by the Supreme Court in *De Villa v. Fabricante, et al.*, G.R. No. L-13063, 105 Phil. 672, as earlier stated. In affirming the ruling of the trial court which held that:

"Only the defendant Cesario A. Fabricante is liable for the payment of this amount because it does not appear that the other defendant Maria G. de Fabricante had authorized Cesario A. Fabricante to contract the deed also in her name. The power of attorney was not presented and it is to be presumed that the power was limited to a grant of authority to Cesario A. Fabricante to mortgage the parcel of land covered by Transfer Certificate of Title in the name of Maria G. de Fabricante." (pp. 31-32, Record on Appeal; Rollo, p. 15)

This court further stated: "We went over the contents of the deed of mortgage executed by Cesario Fabricante in favor of the appellant on April 18, 1944, and there is really nothing therein from which we may infer that Cesario was authorized by his wife to contract the obligation in her name." (pp. 32-33; Record on Appeal)

It is well established that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, it should be conclusive upon the parties and those in privity with them. The dictum therein laid down became the law of the case and what was once irrevocably established as the controlling legal rule or decision, continues to be binding between the same parties as long as the facts on which the decision was predicated, continue to be the facts of the case before the court. Hence, the binding effect and enforceability of that dictum can no longer be relitigated anew since said issue had already been resolved and finally laid to rest in that aforementioned case (*Miranda v. C.A.*, 141 SCRA 306 [1986]), if not by the principle of *res judicata*, but at least by conclusiveness of judgment (*Vda. de Sta. Romana v. PCIB*, 118 SCRA 335 [1982]).

It is significant that, not less than the Supreme Court affirmed the decision of the trial court, that only Cesario A. Fabricante is liable to pay the mortgage debt and not his wife who is exempt from liability. Under the doctrines enunciated in the above cited cases, the Jacob spouses who are the successors-in-interest of Maria Garchitorena by virtue of a deed of sale of the land in question, should likewise be exempted from liability.

PREMISES CONSIDERED, the decision appealed from is AFFIRMED, with the modification that only the husband (Mr. Fabricante) and NOT his wife is liable for the debt. The spouses Jose Jacob and Cecilia Baduria are likewise exempted from any liability.

SO ORDERED.

Melencio-Herrera, (Chairperson), Padilla, Sarmiento, and Regalado, JJ., concur.

[*] Hon. Jose L. Moya, Trial Judge, rendered the decision.

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.