

BELINDA TAREDO, FOR HERSELF AND IN REPRESENTATION OF HER BROTHERS AND SISTERS, AND TEOFILA CORPUZ TANEDO, REPRESENTING HER MINOR DAUGHTER VERNA TANEDO, PETITIONERS, VS. THE COUR...

G.R. No. 104482. January 22, 1996

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Is a sale of future inheritance valid? In multiple sales of the same real property, who has preference in ownership? What is the probative value of the lower court's finding of good faith in registration of such sales in the registry of property? These are the main questions raised in this Petition for review on certiorari under Rule 45 of the Rules of Court to set aside and reverse the Decision[1] of the Court of Appeals[2] in CA-G.R. CV NO. 24987 promulgated on September 26, 1991 affirming the decision of the Regional Trial Court, Branch 63, Third Judicial Region, Tarlac, Tarlac in Civil Case No. 6328, and its Resolution denying reconsideration thereof, promulgated on May 27, 1992.

By the Court's Resolution on October 25, 1995, this case (along with several others) was transferred from the First to the Third Division and after due deliberation, the Court assigned it to the undersigned ponente for the writing of this Decision.

The Facts

On October 20, 1962, Lizardo Tañedo executed a notarized deed of absolute sale in favor of his eldest brother, Ricardo Tañedo, and the latter's wife, Teresita Barera, private respondents herein, whereby he conveyed to the latter in consideration of P1,500.00, "one hectare of whatever share I shall have over Lot No. 191 of the cadastral survey of Gerona, Province of Tarlac and covered by Title T-13829 of the Register of Deeds of Tarlac," the said property being his "future inheritance" from his parents (Exh. 1). Upon the death of his father Matias, Lazaro executed an "Affidavit of Conformity" dated February 28, 1980 (Exh. 3) to "re-affirm, respect, acknowledge and validate the sale I made in 1962." On January 13, 1981, Lazaro executed another notarized deed of sale in favor of private respondents covering his "undivided ONE TWELVE (1/12) of a parcel of land known as Lot 191 x x (Exh. 4). He acknowledged therein his receipt of P 10,000.00 as consideration therefor. In February 1981, Ricardo learned that Lazaro sold the same property to his children, petitioners herein, through a deed of sale dated December 29, 1980 (Exh. E). On June 7, 1982, private respondents recorded the Deed of Sale (Exh. 4) in their favor in the Registry of Deeds and the corresponding entry was made in Transfer Certificate of Title No. 166451 (Exh. 5).

Petitioners on July 16, 1982 filed a complaint for rescission (plus damages) of the deeds of sale executed by Lazaro in favor of private respondents covering the property inherited by Lazaro from his father.

Petitioners claimed that their father, Lazaro, executed an "Absolute Deed of Sale" dated December 29, 1980 (Exit. E), conveying to his ten children his allotted portion under the extrajudicial partition executed by the heirs of

Matias, which deed included the land in litigation (Lot 191).

Petitioners also presented in evidence: (1) a private writing purportedly prepared and signed by Matias dated December 28, 1978, stating that it was his desire that whatever inheritance Lazaro would receive from him should be given to his (Lazaro's) children (Exh. A); (2) a typewritten document dated March 10, 1979 signed by Lazaro in the presence of two witnesses, wherein he confirmed that he would voluntarily abide by the wishes of his father, Matias, to give to his (Lazaro's) children all the property he would inherit from the latter (Exh. B); and (3) a letter dated January 1, 1980 of Lazaro to his daughter, Carmela, stating that his share in the extrajudicial settlement of the estate of his father was intended for his children, petitioners herein (Exh. C).

Private respondents, however presented in evidence a "Deed of Revocation of a Deed of Sale" dated March 12, 1981 (Exh. 6), wherein Lazaro revoked the sale in favor of petitioners for the reason that it was "simulated or fictitious - without any consideration whatsoever."

Shortly after the case a quo was filed, Lazaro executed a sworn statement (Exh. G) which virtually repudiated the contents of the Deed of Revocation of a Deed of Sale (Exh. 6) and the Deed of Sale (Exh. 4) in favor of private respondents. However, Lazaro testified that he sold the property to Ricardo, and that it was a lawyer who induced him to execute a deed of sale in favor of his children after giving him five pesos (P5.00) to buy a "drink" (TSN September 18, 1985, pp. 204-205).

The trial court decided in favor of private respondents, holding that petitioners failed "to adduce a preponderance of evidence to support (their) claim." On appeal, the Court of Appeals affirmed the decision of the trial court, ruling that the Deed of Sale dated January 13, 1981 (Exh. 9) was valid and that its registration in good faith vested title in said respondents.

The Issues

Petitioners raised the following "errors" in the respondent Court, which they also now allege in the instant Petition:

"I. The trial court erred in concluding that the Contract of Sale of October 20, 1962 (Exhibit 7, Answer) is merely voidable or annulable and not void ab initio pursuant to paragraph 2 of Article 1347 of the New Civil Code involving as it does a 'future inheritance'.

"II. The trial court erred in holding that defendants-appellees acted in good faith in registering the deed of sale of January 13, 1981 (Exhibit 9) with the Register of Deeds of Tarlac and therefore ownership of the land in question passed on to defendants-appellees.

"III. The trial court erred in ignoring and failing to consider the testimonial and documentary evidence of plaintiffs-appellants which clearly established by preponderance of evidence that they are indeed the legitimate and lawful owners of the property in question.

"IV. The decision is contrary to law and the facts of the case and the conclusions drawn from the established facts are illogical and off-tangent."

From the foregoing, the issues may be restated as follows:

1. Is the sale of a future inheritance valid?
2. Was the subsequent execution on January 13, 1981 (and registration with the Registry of Property) of a deed of sale covering the same property to the same buyers valid?
3. May this Court review the findings of the respondent Court (a) holding that the buyers acted in good faith in registering the said subsequent deed of sale and (b) in "failing to consider petitioners' evidence"? Are the

conclusions of the respondent Court "illogical and off-tangent"?

The Court's Ruling

At the outset, let it be clear that the "errors" which are reviewable by this Court in this petition for review on certiorari are only those allegedly committed by the respondent Court of Appeals and not directly those of the trial court, which is not a party here. The "assignment of errors" in the petition quoted above are therefore totally misplaced, and for that reason, the petition should be dismissed. But in order to give the parties substantial justice we have decided to delve into the issues as above re-stated. The errors attributed by petitioners to the latter (trial) court will be discussed only insofar as they are relevant to the appellate court's assailed Decision and Resolution.

The sale made in 1962 involving future inheritance is not really at issue here. In context, the assailed Decision conceded "it may be legally correct that a contract of sale of anticipated future inheritance is null and void." [3]

But to remove all doubts, we hereby categorically rule that, pursuant to Article 1347 of the Civil Code, "(n)o contract may be entered into upon a future inheritance except in cases expressly authorized by law."

Consequently, said contract made in 1962 is not valid and cannot be the source of any right nor the creator of any obligation between the parties.

Hence, the "affidavit of conformity" dated February 28, 1980, insofar as it sought to validate or ratify the 1962 sale, is also useless and, in the words of the respondent Court, "suffers from the same infirmity." Even private respondents in their memorandum [4] concede this.

However, the documents that are critical to the resolution of this case are: (a) the deed of sale of January 13, 1981 in favor of private respondents covering Lazaro's undivided inheritance of one-twelfth (1/12) share in Lot No. 191, which was subsequently registered on June 7, 1982; and (b) the deed of sale dated December 29, 1980 in favor of petitioners covering the same property. These two documents were executed after the death of Matias (and his spouse) and after a deed of extrajudicial settlement of his (Matias') estate was executed, thus vesting in Lazaro actual title over said property. In other words, these dispositions, though conflicting, were no longer infected with the infirmities of the 1962 sale.

Petitioners contend that what was sold on January 13, 1981 was only one-half hectare out of Lot No. 191, citing as authority the trial court's decision. As earlier pointed out, what is on review in these proceedings by this Court is the Court of Appeals' decision - which correctly identified the subject matter of the January 13, 1981 sale to be the entire undivided 1/12 share of Lazaro in Lot No. 191 and which is the same property disposed of on December 29, 1980 in favor of petitioners.

Critical in determining which of these two deeds should be given effect is the registration of the sale in favor of private respondents with the register of deeds on June 7, 1982.

Article 1544 of the Civil Code governs the preferential rights of vendees in cases of multiple sales, as follows:

"Art. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith."

The property in question is land, an immovable, and following the above-quoted law, ownership shall belong to the buyer who in good faith registers it first in the registry of property. Thus, although the deed of sale in favor of private respondents was later than the one in favor of petitioners, ownership would vest in the former because of the undisputed fact of registration. On the other hand, petitioners have not registered the sale to them at all.

Petitioners contend that they were in possession of the property and that private respondents never took possession thereof. As between two purchasers, the one who registered the sale in his favor has a preferred right over the other who has not registered his title, even if the latter is in actual possession of the immovable property.[5]

As to third issue, while petitioners conceded the fact of registration, they nevertheless contended that it was done in bad faith. On this issue, the respondent Court ruled:

"Under the second assignment of error, plaintiffs-appellants contend that defendants-appellees acted in bad faith when they registered the Deed of Sale in their favor as appellee Ricardo already knew of the execution of the deed of sale in favor of the plaintiffs; appellants cite the testimony of plaintiff Belinda Tafledo to the effect that defendant Ricardo Tañedo called her up on January 4 or 5, 1981 to tell her that he was already the owner of the land in question 'but the contract of sale between our father and us were (sic) already consummated' (pp. 9-10, tsn, January 6, 1984). This testimony is obviously self-serving, and because it was a telephone conversation, the deed of sale dated December 29, 1980 was not shown; Belinda merely told her uncle that there was already a document showing that plaintiffs are the owners (p. 80). Ricardo Tañedo controverted this and testified that he learned for the first time of the deed of sale executed by Lazaro in favor of his children 'about a month or sometime in February 1981' (p. 111, tsn, Nov. 28, 1984). x x x"[6]

The respondent Court, reviewing the trial court's findings, refused to overturn the latter's assessment of the testimonial evidence, as follows:

"We are not prepared to set aside the finding of the lower court upholding Ricardo Tanedo's testimony, as it involves a matter of credibility of witnesses which the trial judge, who presided at the hearing, was in a better position to resolve." (Court of Appeals' Decision, p. 6.)

In this connection, we note the tenacious allegations made by petitioners, both in their basic petition and in their memorandum, as follows:

1. The respondent Court allegedly ignored the claimed fact that respondent Ricardo "by fraud and deceit and with foreknowledge" that the property in question had already been sold to petitioners, made Lazaro execute the deed of January 13, 1981;
2. There is allegedly adequate evidence to show that only 1/2 of the purchase price of P10,000.00 was paid at the time of the execution of the deed of sale, contrary to the written acknowledgment, thus showing bad faith;
3. There is allegedly sufficient evidence showing that the deed of revocation of the sale in favor of petitioners "was tainted with fraud or deceit."
4. There is allegedly enough evidence to show that private respondents "took undue advantage over the weakness and unschooled and pitiful situation of Lazaro Tafledo . . ." and that respondent Ricardo Tañedo "exercised moral ascendancy over his younger brother he being the eldest brother and who reached fourth year college of law and at one time a former Vice-Governor of Tarlac, while his younger brother only attained first year high school x x x";
5. The respondent Court erred in not giving credence to petitioners' evidence, especially Lazaro Tañedo's Sinumpaang Salaysay dated July 27, 1982 stating that Ricardo Tañedo deceived the former in executing the deed

of sale in favor of private respondents.

To be sure, there are indeed many conflicting documents and testimonies as well as arguments over their probative value and significance. Suffice it to say, however, that all the above contentions involve questions of fact, appreciation of evidence and credibility of witnesses, which are not proper in this review. It is well-settled that the Supreme Court is not a trier of facts. In petitions for review under Rule 45 of the Revised Rules of Court, only questions of law may be raised and passed upon. Absent any whimsical or capricious exercise of judgment, and unless the lack of any basis for the conclusions made by the lower courts be amply demonstrated, the Supreme Court will not disturb their findings. At most, it appears that petitioners have shown that their evidence was not believed by both the trial and the appellate courts, and that the said courts tended to give more credence to the evidence presented by private respondents. But this in itself is not a reason for setting aside such findings. We are far from convinced that both courts gravely abused their respective authorities and judicial prerogatives.

As held in the recent case of *Chua Tiong Tay vs. Court of Appeals and Goidrock Construction and Development Corp.*:^[7]

"The Court has consistently held that the factual findings of the trial court, as well as the Court of Appeals, are final and conclusive and may not be reviewed on appeal. Among the exceptional circumstances where a reassessment of facts found by the lower courts is allowed are when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; when the inference made is manifestly absurd, mistaken or Impossible; when there is grave abuse of discretion in the appreciation of facts; when the judgment is premised on a misapprehension of facts; when the findings went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee. After a careful study of the case at bench, we find none of the above grounds present to justify the re-evaluation of the findings of fact made by the courts below."

In the same vein, the ruling in the recent case of *South Sea Surety and Insurance Company, Inc. vs. Hon. Court of Appeals, et al.*^[8] is equally applicable to the present case:

"We see no valid reason to discard the factual conclusions of the appellate court. x x x (I)t is not the function of this Court to assess and evaluate all over again the evidence, testimonial and documentary, adduced by the parties, particularly where, such as here, the findings of both the trial court and the appellate court on the matter coincide." (italics supplied)

WHEREFORE, the petition is DENIED and the assailed Decision of the Court of Appeals is AFFIRMED. No Costs.

SO ORDERED.

Narvasa, C.J. (Chairman), Davide, Jr., Melo, and Francisco, JJ., concur.

[1] *RoIlo*, pp. 58-64.

[2] Thirteenth Division, composed of i. Minerva P. Gonzaga-Reyes, ponente, and JJ., Arturo B. Buena, Chairman and Quirino D. Abad Santos, Jr., member.

[3] CA Decision, p. 5; *rollo*, p. 62.

[4] At pp. 11-12; *rollo*, pp. 145-146.

[5] *Nuguid vs. Court of Appeals*, 171 SCRA 213 (March 13, 1989).

[6] Court of Appeals' Decision, p. 6; *rollo*, p. 63.

[7] GR. No. 112130, March 31, 1995; J. Flerida Ruth P. Romero, ponente.

[8] G.R. No. 102253, June 2, 1995; J. Jose C. Vitug, ponente.

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