

DAVAO CITY WOMEN'S CLUB, INC., ALSO KNOWN AS DAVAO WOMEN'S CLUB, PLAINTIFF AND APPELLEE, VS. REMEDIOS PONFERRADA, DEFENDANT AND APPELLANT, THE PROVINCE OF DAVAO, THIRD-PARTY DEF...

G.R. No. 11843. May 31, 1963

Ponente: BENGZON, C.J.

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BENGZON, C.J.:

Claiming to be the owner-donee of Lot 72-A of Davao City, the plaintiff club filed this suit to eject Remedios Ponferrada from a portion thereof. Defendant disputed the validity of the donation, in denying plaintiff's ownership. She asserted possession under a lease granted by the alleged donor, the Province of Davao. She further claimed to be a builder in good faith of a house thereon, impleading the province as third-party defendant, and requesting for legal remedies against it.

Answering both the complaint and the third-party complaint, the Province of Davao disputed the title of plaintiff alleging the donation was invalid, even as it sustained the right of Ponferrada as lessee.

The Court of First Instance of Davao, after hearing the parties and their evidence, rendered judgment:

"WHEREFORE, this Court enters judgment:

- (a) Declaring the donation executed by the Province of Davao in favor of the plaintiff valid and legal and as such the plaintiff is the absolute owner of the property in question;
- (b) Declaring defendant Ponferrada a builder in good faith entitled to compensation for her building;
- (c) Ordering plaintiff to pay defendant Ponferrada the sum of P12,000.00 for the value of her building within a period of six (6) months from this decision, and upon failure to pay said amount within this period, plaintiff should execute a contract of lease in favor of defendant Ponferrada for the use and occupancy of the land by her building for a period of ten (10) years from this decision with monthly rentals of P30.00 subject to any other terms and conditions that may be agreed to by the parties;
- (d) Dismissing the action of ejectment filed by plaintiff against defendant Ponferrada;
- (e) Dismissing the counterclaims filed by defendant Ponferrada and third-party defendant Province of Davao against plaintiff; * * *."

The plaintiff did not appeal; the two other parties took the matter to this Court.

Hence in this appeal there is no need to touch on points (b), (c) and (d) of the above judgment.

Both appellants challenge the validity of the donation. Ponferrada claims, in addition, the rights of a lessee as to the portion of Lot 72-A which she is presently occupying. She demands, furthermore, compensation for damages arising from the institution of this action against her.

It appears that on September 28, 1947, the Provincial Board of Davao approved a resolution (No. 124) donating to the Women's Club of Davao, for use as puericulture center, Lot 72-A containing about 2,784 square meters covered by a Torrens title in said province's name. The next month, i.e., on October 24, 1947, at the request of Atty. Remedios Ponferrada, it passed a resolution (No. 151) granting her application to lease a portion of City land-600 square meters-subject "to the contract to be entered into by the applicant on one hand and the provincial government of Davao on the other, said contract to be drawn by the provincial fiscal". Upon being informed that the portion leased to Ponferrada was included in Lot 72-A already donated to the Club, the Provincial Board approved resolutions 199 and 200 so as to exclude from the donation the portion thus leased.

For reasons not necessary to mention, the Provincial Board on February 12, 1948, passed Resolution No. 70 revoking both the donation and the lease, stating that anyway, the contracts with both Ponferrada and the Club had not yet been formally executed. But on March 2, 1948, the Board again approved another resolution (No. 146) donating to the said Women's Club the entire Lot No. 72-A for its puericulture center building, park and playground. Accordingly, the provincial governor, on behalf of the province, notarized the corresponding deed of donation, which the Club's officers accepted and signed immediately. Then the deed was submitted to the President for approval, but his Office said it needs the Secretary of Interior's approval, and referred the deed to the latter. So, on October 24, 1949, the said Secretary approved the donation; and the Club lost no time in registering it with the Registry of Deeds and obtaining the corresponding certificate of title on January 10, 1950.

Months afterwards, moved by representations of Atty. Ponferrada who claimed she had built a house on the lot, the Office of the President suggested that she should be allowed to lease the portion previously assigned to her for such a period of time as may enable her to liquidate the original cost of construction of such house. In compliance with this suggestion, and despite the protest of the Women's Club (claiming the lot already belonged to it) the Provincial Board of Davao on May 18, 1951, passed a resolution (No. 348) segregating the 600-meter portion for lease to Ponferrada, and directing the fiscal to draft the corresponding contract of lease. However, this official refrained from preparing the document, being of the opinion that the Board no longer had the power to grant the lease, since the entire parcel had become definitely the property of the Davao Women's Club, in whose name a new Torrens title had been issued in due course.

Outcome of the misunderstanding or conflict was the presentation of this litigation to the Davao court of first instance.

Among other things, the province invoked the right to rescind the donation and to dispute the plaintiff's ownership, on the ground that the gift had been made to the Women's Club of Davao City and not to the plaintiff corporation Davao City Women's Club, Inc.; and because the donee had no juridical personality at the time of the donation.

The decision of the Davao court overruled such defenses, upon finding that the names meant one and the same civic organization of women in the city of Davao [a], which, by the way, already used Lot 72-A, as puericulture center, before the outbreak of the Pacific War.

As stated, both the province of Davao and Remedios Ponferrada question the validity and efficacy of the donation. The latter contends that the resolution providing for the donation was expressly made "subject to the approval of the President" and yet it was only approved by the Secretary of the Interior. We note, however, that the resolution and donation were submitted to Malacañang for approval; and that Office held- properly indeed (Sec. 2596, Revised Administrative Code)-that under the law, approval by the Secretary of the Interior was enough.

On the other hand, it appears that Ponferrada questions the validity of the donation only for the purpose of

retaining a portion of the property as lessee. Inasmuch as we find that she acquired no rights as lessee, as we shall explain later, it follows that she has no standing to question the validity of the donation.

The Province of Davao in its appeal maintains it was error for the trial judge to hold that its acts (of interchangeably referring to the Women's Club of Davao City as the "Davao City Women's Club, Inc.") and the public's recognition of "Davao City Women's Club, Inc." as a continuation of the "Women's Club of Davao City" "are sufficient to impart juridical personality to the latter to enable it to act as donee of real property". As we read the decision, it does not attribute juridical personality to the Club; but it does deny the province's right to rescind on the basis of a mere difference of names, when all parties agree that said names mean only one social organization in Davao City, namely the plaintiff. Implied in the court's reasoning is evidently the idea that as the donation had been accepted and acted upon by the aforesaid women's association, that erected on the lot a costly building, it is less than equitable for the Province now to stand on a technicality, maybe to avoid responsibility to the lessee- responsibility which anyway does not exist, as the contract of lease has not so far been duly perfected.

At this juncture, it should be added that having duly approved the resolution of donation and the document giving it effect, the province of Davao may not now allege the incapacity of the Club to enter into the contract of donation; because the Civil Code provides that persons sui juris "cannot * * * avail themselves of the incapacity of those with whom they contracted" in order to annul their contract (Art. 1302). This, to our mind definitely disposes of the province's contention.

It must be observed that Remedios Ponferrada claims the right of a lessee by virtue of Resolution No. 151 of the Provincial Board of Davao (October 24, 1947) and Resolution No. 200 (November 28, 1947). But both these resolutions were expressly revoked by Resolution No. 70 on February 12, 1948. Furthermore, both resolutions were "subject to the contract to be entered into by the applicant on one hand, and the Provincial Government, on the other, said contract to be drawn by the Provincial Fiscal". (Record p. 389) And no contract was ever drawn nor signed, the Fiscal having refused to draw it, on the ground that the whole lot had already been donated to the Women's Club.

On the contrary, a formal donation to the Women's Club of the whole lot 72-A was duly executed and approved by the Secretary of the Interior and by the President (in effect).

At this point, we may advert to Ponferrada's contention that the office of the President had declared on November 17, 1950 as follows:

"In view thereof, this Office deems it proper to reconsider its previous decision, and hereby adopts that of the Secretary of the Interior pursuant to which Atty. Ponferrada shall be allowed to lease 600 square meters of Lot No. 72-A for a period the duration of which shall be determined by the parties on the basis by which the original cost of construction may have been liquidated if said house were rented at a reasonable rate prevailing in the locality, taking into account the size of the house and the purpose for which it could be used."
(Appellant's brief, p. 11-12)

This was made in connection with Ponferrada's appeal to the President from the Secretary of the Interior's decision approving the deed of donation. It is very doubtful whether the donation already accepted, approved and fully operative could be afterwards amended by the Office of the President or for that matter, by the Provincial Board.[b] Observe moreover, that the President's above order-if it is, and if valid-was subject to a condition precedent, which has not yet been fulfilled: the fixing of the duration and other conditions of the lease. At any rate, the purpose of the President was to give Ponferrada a chance to recoup the value of her investment in the house already existing; and that purpose is fully implemented by the appealed decision which compels the Club to pay her P12,000.00 for it.[c]

Inasmuch as we uphold the donation, we cannot but dismiss the counterclaims for damages against the plaintiff organization.

Judgment.- The appealed decision should, therefore, be affirmed, and its is hereby affirmed. It is understood of course that after receiving payment for her building, the defendant Ponferrada shall vacate the premises. No costs in this instance.

SO ORDERED.

Padilla, Bautista Angelo, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, Regala, and Makalintal, JJ., concur.

[a] The corporation was organized in 1952 and is admittedly the continuation of the Women's Club of Davao.

[b] By its Resolution No. 348.

[c] At that time according to the papers before the President, Ponferrada's expenses amounted to P8,000.00 only. (Pages 434 and 436, Record on Appeal.)

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