

FELICIANO MARTIN, PETITIONER, VS. PRUDENCIO MARTIN, LUISA DE LA CRUZ, AND IGNACIO DE LA CRUZ, RESPONDENTS.*G.R. No. 12439. May 22, 1959*

Ponente: LABRADOR, J.

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This is an appeal by certiorari from a decision of the Court of Appeals, declaring intervenor-appellee therein Ignacio de la Cruz, owner of the two parcels of land subject of the action, with the obligation of paying petitioner Feliciano Martin a redemption price of P600, and ordering Feliciano Martin to deliver the lands to said intervenor-appellee upon payment by the latter of the said sum of P600.

The facts found by the Court of Appeals are as follows: On September 12, 1919 Jose Balagui and Dorotea Balagui, brother and sister, sold the two parcels of land subject of the action, to Feliciano Martin and Florentino Martin for P1,200. On April 17, 1923, Jose Balagui brought an action in the Justice of the Peace Court of Solsona, Ilocos Norte, against said Feliciano and Florentino Martin for damages arising from failure of the Martins to comply with some conditions agreed upon in the sale. The said action was terminated by a compromise agreement between Feliciano Martin, Florentino Martin and Isidro Martin, on the one hand, and the above-named spouses, on the other, who were plaintiffs, submitted to and approved by the court. The agreement is as follows:

"Presentes en la Corte las partes despues de llamada. la Causa Civil arriba titulada, pidieron que se terminase al asunto para evitar mayores gastos y las molestias consiguientes entre una y otra parte, mediante transaccion de dicho asunto en los siguientes terminos:

"Primero: Las partes se convienen en dejar sin efecto ni valor en jmcio o fuera de el la escritura publica otorgada en 12 de Septiembre de 1919 par Jose Balagui demandante y la difunta Dorotea Balagui, madre de la dicha demandante Sixta Lantada a favor de los demandados Florentino Martin y Feliciano Martin, sobre venta de dos parcelas de terrenos ubicados en Buguiata del termino Municipal de Piddig en la cantidad de P1,200.00.

"Segundo: que en la escritura que se otorgara de confonnidad con la extencion del terreno que resulte de su medicon con levantamiento de croquis para mayor inteligencia de vendedores y compradores, ha de constarse como uno de los compradores, Isidro Martin en higar de Florentino Martin, por no ser este el duefio de los 600.00 mitad del precio.

"Tercero: En el entre tanto, eft terreno de Buguiata que se corn- pone de semerttera huerta y cogohal y de un solo lote y no de dos erroneamente consignados en ella estara a disposicion de los de- mandados Feliciano Martin y de Isidro Martin, para que se aprovechen de sus frutos por la cantidad de P1,200.00 sin transmitir definitivamente los demandados el dominio, corriendo a cuenta de Jose Balagui ios derechos del otogamiento de la nueva escritura. "El juzgado no encontrando motivos para no aprobar las estipulaciones arriba mencionadas las apruebas y queda terminada la Causa sin pronunciamiento en cuento al pago de costas."

The Court of Appeals, notwithstanding the claim of Feliciano Martin that he had not known of such agreement and did not sign it, found that Feliciano Martin did in fact sign the agreement. The court also found that the intention of the parties in the execution of the compromise set forth above, was to transform the original sale

made in favor of Feliciano and Florentino Martin on September 12, 1919, into an equitable mortgage, as contended by the spouses and their transferees, the defendant Prudencio Martin and intervenor Ignacio de la Cruz. The court also found that on January 8, 1946, Jose Balagui sold the parcels of land in question to Ignacio de la Cruz for the sum of P2,500, with the understanding that the purchaser would redeem the lands from Feliciano Martin and Florentino Martin by paying to them the sum of P1,200.

On the basis of the above findings the Court of Appeals reversed the decision of the Court of First Instance of Ilocos Norte which had declared the compromise null and void for having been made before a court which had no competent jurisdiction over the action.

The decision of the Court of Appeals is now the subject of this appeal by certiorari before this Court, petitioner contending that the Court of Appeals erred in declaring that the compromise had the effect of converting the previous contract of sale into one of loan secured by a mortgage; and on failing to make a finding on the rights and obligations of the petitioner, with respect to the houses built on the lands in good faith by the petitioner Feliciano Martin and his son-in-law and his daughter. According to the evidence, the house of Feliciano Martin was valued at P3,000, and that of his son-in-law and daughter, P2,000. The court of Appeals is also alleged to have made an error in declaring that the compromise was valid even if the court before which it was made had no jurisdiction over the case brought and in which it was entered into.

We cannot reverse or modify the conclusion made by the Court of Appeals that petitioner Feliciano Martin had actually signed the compromise agreement, this being a finding of fact, which is final and binding upon us. It is apparent also that the conclusion to the effect that the validity of the compromise does not depend upon the question of whether or not the justice of the peace court before whom it was made had jurisdiction over the main case, is correct, it being a fact that the parties to the compromise agreement signed and executed the same willingly and voluntarily, and should, therefore, be bound by its terms. A person cannot repudiate the effects of his voluntary acts simply because it does not fit him, or simply because the judge before whom he executed the act did not have jurisdiction of the case. In a regime of law and order, repudiation of an agreement validly entered into can not be made without any ground or reason in law or in fact for such repudiation. The conclusion of the trial court in respect to the validity of the compromise agreement and its binding effect upon Feliciano Martin cannot be questioned.

The last question raised by the petitioner refers to the failure of the Court of Appeals to pass upon the respective rights of the intervenor-appellant, respondent herein, and the plaintiff, petitioner herein, and his son-in-law and daughter, with respect to the houses that the latter had built on the lands in question. There is no claim nor even a suggestion that the building of the houses had been made by Feliciano Martin and his son-in-law and daughter in bad faith. That said two buildings actually exist and that one of them is valued at P3,000 and the other, at P2,000, is not denied. The decision of the Court of Appeals is silent on the rights and obligations of the parties with respect to the said houses. We find merit in the contention that the Court of Appeals erred in failing to make a specific pronouncement on the rights and obligations of the parties with respect to the said houses.

The Court of Appeals found that the houses were built after October 31, 1930, after Feliciano Martin had returned the amount of P600 that Florentino Martin had contributed to the purchase money. At the time of the construction, therefore, the petitioner had already become the rightful possessor of the land, having, besides, declared them for tax purposes. No claim is made by any of the parties- respondents that the construction of the houses had been made in bad faith. The compromise agreement did not specify within what period of time Feliciano Martin was to enjoy the possession and use of the lands in question. Neither has there been any evidence submitted to show that the building of the houses was prohibited by the original owners of the land or by the subsequent purchaser. A portion of the land was residential, so its use could only be enjoyed by the building of a house thereon. So we

must find as a fact that the building of the houses was made in good faith and in the exercise of the rights granted to Feliciano Martin by the compromise agreement. The law applicable to petitioner is Article 361 of the Spanish Civil Code, which provides as follows:

"Art. 361. The owner of land on which anything has been built, sown, or planted, in good faith, shall be entitled to appropriate the thing so built, sown, or planted, upon paying the indemnification mentioned in Articles 453 and 454, or to compel the person who has built or planted to pay him the value of the land, and the person who sowed thereon to pay the proper rent therefor."

We, therefore, agree with the petitioner that the Court of Appeals erred in not having made an express provision as to the houses in question and in accordance with the above-quoted provision of the Civil Code the intervenor Ignacio de la Cruz, who had become the owner by purchase of the lands in question, should be given, as he is hereby given, the choice either to pay for the value of the houses, or require the petitioner herein to pay for the value of the land.

The Court of Appeals found that the value of the houses constructed about 29 years ago, were P3,000 and P2,000. We take judicial notice of the fact that the said houses must have depreciated. On the other hand, we can also take judicial notice of the fact that the value of real estate has greatly increased since 29 years ago. As no evidence was submitted as to the actual value of the said houses, it seems that it is only just that said values be previously determined before the choice for the purchase thereof by the owner of the land, the intervenor-appellee, can be exercised by the latter.

Wherefore, the decision of the Court of Appeals is hereby affirmed in the sense that the intervenor-appellee Ignacio de la Cruz is declared to be the owner of the lands subjects of the action and entitled to the possession thereof upon payment by him of the sum of P600 to petitioner Feliciano Martin, but the decision is modified by further ordering that the case be remanded to the court below for determination of the price or the value of the two houses built on the lands in question, and thereafter for the intervenor-appellee to exercise the option specified in Article 361 of the Spanish Civil Code.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, and Endencia, JJ., concur.

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