

**SPOUSES SEGUNDO RAMOS AND FELISA VALDEZ, PETITIONERS, VS.
HON. COURT OF APPEALS, LEILA VALDEZ-PASCUAL, ARACELI
VALDEZ, GLICERIA VALDEZ, JUANA VALDEZ, SIMEON VALDEZ,
CONRADA VALD...**

G.R. NO. 132196. December 09, 2005

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-132196/>

CHICO-NAZARIO, J.:

This case presents a tangled tale involving the conflicting accounts of petitioners and private respondents over a piece of land sold by Gregorio Valdez (private respondents' father) to petitioners in 1948 and which ostensibly became the subject of a compromise agreement in 1977.

Through the instant Petition for Review on certiorari, spouses Segundo Ramos and Felisa Valdez seek the reversal of the Decision[1] of the Court of Appeals dated 31 July 1997 which reversed the Decision[2] of the Regional Trial Court (RTC), Branch 48, Urdaneta, Pangasinan. The RTC decision dismissed the case filed by private respondents for Quieting of Title, Ownership, Possession plus Damages with prayer for Writ of Preliminary Injunction and adjudged petitioners as the lawful owners of a piece of land, with an area of 3,036 square meters, and which forms part of a bigger tract of land covered by Original Certificate of Title (OCT) No. 48824 of the Registry of Deeds of the Province of Pangasinan in the name of Gregorio Valdez. Under review as well is the Court of Appeals Resolution[3] dated 08 December 1997 denying petitioners' motion for reconsideration.

Private respondents are the children[4] of Gregorio Valdez. In 1948, Gregorio Valdez sold the subject land to petitioners. The absolute deed of sale was subsequently annotated at the back of OCT No. 48824 as Entry No. 377847. It is the contention of private respondents that as early as 1977, petitioners no longer owned subject land as they had renounced their rights thereto as evidenced by a compromise agreement dated 02 June 1977.

Sometime in 1991, Gregorio Valdez died. Private respondents allege that immediately after the death of their father, petitioners disturbed their possession of subject land by cultivating the same and by enclosing it with a fence. As petitioners did not heed their demands to vacate, they were constrained to file a case for Quieting of Title, Ownership, Possession plus Damages with prayer for Writ of Preliminary Injunction.

Petitioners, in their Answer with Counterclaim, maintain that they remain owners of the subject land as the compromise agreement being relied upon by private respondents refers to another piece of land. Thus, they argue that the compromise agreement constitutes a cloud on their title. They prayed, among other things, for the quieting of their title and that they be adjudged lawful owners of the subject land.

The trial court believed petitioners. It sided with petitioners by declaring them owners of the subject land by virtue of the absolute deed of sale dated 06 January 1948. The dispositive portion of its decision reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the defendants and against the plaintiffs and declaring the defendants to be the lawful owners of the land in question.[5]

The Court of Appeals reversed the trial court's ruling. It held that the land renounced by petitioners was the subject land and that it was made in favor of Gregorio Valdez, thus:

WHEREFORE, premises considered the decision appealed from is hereby REVERSED and SET ASIDE and another one entered declaring plaintiffs as owner of the land in question, and ordering defendants-appellees to vacate the same. With costs against defendants-appellees.

Aggrieved by the aforecited ruling, and their motion for reconsideration having been denied by the Court of Appeals, petitioners assert before us that –

I.

THE HONORABLE COURT OF APPEALS ERRED IN REVERSING THE TRIAL COURT'S FINDINGS WHICH TOOK INTO ACCOUNT THE INTENTIONS OF THE PARTIES IN THE COMPROMISE AGREEMENT IN QUESTION BY CONSIDERING CIRCUMSTANCES PREVIOUS AND SIMULTANEOUS TO THE EXECUTION OF THE AGREEMENT.

II.

WHILE THE HONORABLE COURT OF APPEALS CORRECTLY STATED THE UNDERLYING REASONS BEHIND THE EXECUTION OF THE COMPROMISE AGREEMENT IN QUESTION, IT SERIOUSLY ERRED IN UPHOLDING THE VALIDITY OF THE COMPROMISE AGREEMENT WITH RESPECT TO A THIRD PERSON WHO WAS A STRANGER THERETO AND INVOLVING A PARCEL OF LAND WHICH IS FOREIGN TO THE DISPUTE IN THE LAND REGISTRATION CASE THAT GAVE LIFE TO THE COMPROMISE AGREEMENT.

III.

THE HONORABLE COURT OF APPEALS ERRED IN REVERSING THE TRIAL COURT'S DECISION FINDING NO LEGAL AND FACTUAL BASES TO UPHOLD THE VALIDITY OF THE ALLEGED RENUNCIATION OF PETITIONERS' RIGHTS OVER THE NORTHERN PORTION OF THE TITLED LAND IN QUESTION INSTEAD OF THE INTENDED SOUTHERN PORTION OF AN UNTITLED LAND SUBJECT OF THE LRC.[6]

In order to get to the bottom of this land dispute, the primary and most basic question that has to be asked is this: Is the absolute deed of sale dated 06 January 1948 between petitioners and private respondents' predecessor-in-interest, Gregorio Valdez, annotated at the back of OCT No. 48824, a cloud on such title that has to be removed under the grounds stated in the Civil Code?

Articles 476 and 478 of the Civil Code provide:

Art. 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

Art. 478. There may also be an action to quiet title or remove a cloud therefrom when the contract, instrument or other obligation has been extinguished or has terminated, or has been barred by extinctive prescription.

In herein case, private respondents, as plaintiffs in the case for quieting of title, allege that their father's obligation under the deed of absolute sale has been extinguished or has been terminated by virtue of the compromise

agreement dated 02 June 1977 whereby petitioners ostensibly renounced their rights over the subject property. Petitioners, on the other hand, claim that the same compromise agreement constitutes a cloud on their title.

The Compromise Agreement[7] states:

REPUBLIC OF THE PHILIPPINES
COURT OF FIRST INSTANCE OF PANGASINAN
THIRD JUDICIAL DISTRICT
9[th] Branch, Urdaneta

SEGUNDO RAMOS, ET AL.,
Applicants. LAND REG. CASE No. U-843
LRC Rec. No. N-48993

- versus -

THE DIRECTOR OF LANDS,
ET AL.,
Oppositors.

X-----X

COMPROMISE AGREEMENT

COME NOW, the parties in the above-entitled case duly assisted by their respective counsels and to this Honorable Court submit this compromise agreement, to wit:

- That the oppositor Felipe Cabero hereby withdraw (sic) his opposition in the above-entitled case;
- That the applicants Segundo Ramos and Felisa Valdez hereby also quitclaim and renounce whatever rights in the document registered under entry No. 377847 annotated at the back of O.C.T. No. 48824 of Gregorio Valdez;
- That the parties hereby waive any claim for and against the other.

WHEREFORE, the parties should abide the foregoing compromise agreement and that each of them shall respect the right of the other.

IN WITNESS WHEREOF, the parties duly assisted by their respective counsels set their hands this 2[nd] day of June, 1977, at Urdaneta, Pangasinan.

SEGUNDO RAMOS
Applicant

FELISA VALDEZ
Applicant

FELIPE CABERO
Oppositor

ASSISTED BY:

ATTY. ELISEO E. VERSOZA
Counsel for the Applicants
Soconi, Bugallon,

ATTY. NICANOR CALDITO
Counsel for Oppositor
Pang. Pozorrubio, Pang.

To get a proper grip of the controversial compromise agreement, a narration of the circumstances surrounding its execution is in order.

The compromise agreement was entered into between petitioners and a certain Felipe Cabero in connection with petitioners' application for registration of a piece of untitled land adjacent to the subject land filed with the Court of First Instance of Pangasinan in LRC Case No. U-843. This untitled land was purchased by petitioners from a certain Alejandro Alcantara.[8] Apparently, Cabero was the actual occupant of the southern portion of this land, thus, he opposed petitioners' application for registration. Petitioners explained that the southern portion occupied by Cabero was purchased by Cabero from Gregorio Valdez who sold it by mistake as he (Valdez) thought that the land he was selling was part of his titled land.

Petitioners' version

To save himself from the quagmire he created, Gregorio Valdez entreated upon petitioners to give up the southern portion of their untitled land in exchange for Cabero's withdrawal of his opposition to petitioners' application for registration. Petitioners agreed. Thus, during the pendency of the land registration proceedings, petitioners and Cabero entered into a compromise agreement. The agreement was written in English. Its contents were not translated into Ilocano for petitioners but they did not mind as they were represented by their counsel. The signatories to the said agreement were petitioners, Cabero and their respective counsels. Petitioners, being unlettered, were not aware that the property they were renouncing under the compromise agreement was the subject property as, definitely, this was not their intention. Thus, they argued that the compromise agreement contained a false cause and that they gave their consent thereto by mistake.

Private Respondents' version

The compromise agreement categorically states that the property being renounced is the subject property and that the same is made in favor of private respondents' late father, Gregorio Valdez. Gregorio Valdez was a party to said compromise agreement as his signature is also affixed thereto.

The decision of the trial court

As articulated earlier, the trial court ruled in favor of herein petitioners. It held:

After carefully perusing the records and the evidence adduced, this Court is left to resolve the issues agreed upon by the parties as indicated in the pre-trial order.

However, before this Court could arrive at a proper solution of the issues, it is imperative to determine the true intentions of the parties in the controversial compromise agreement (Exh. B) by considering all the surrounding circumstances previous and simultaneous to the execution of the same.

It is not disputed that the property in question with an area of 3,036 square metes on the northern portion of a parcel of land was owned by the plaintiffs' late father Gregorio Valdez covered by TCT No. 48824 (Exh. A). Sometime in the year 1948, the late Gregorio Valdez sold the said property to defendant-spouses Segundo Ramos and Felisa Valdez. That sale was annotated at the back of said title as Entry No. 377847 (Exh. A-1).

Defendant Segundo Ramos also bought an untitled land from Alejandro Alcantara in 1945 evidenced by a deed of absolute sale marked as Exhibit 6. When Segundo Ramos applied for registration of title of the said land, Felipe Cabero opposed the same. During the pendency of the land registration case, a compromise agreement (Exh. B) was concluded by the herein defendants as applicants and oppositor Felipe Cabero.

The Court noted that the portion of land referred to in the said compromise agreement and to have been renounced allegedly is the northern portion. This is clear in the Entry No. 377847 (Exh. A-1). In contrast, what has been relinquished and renounced by Segundo Ramos was the southern portion of the same land being occupied, at that time, by Felipe Cabero. It appears therefore, that there is a different portion of land that was the real subject of renunciation other than that indicated in the compromise agreement. Hence, such agreement expresses wrong intentions of the parties. The mistake in the compromise agreement was recognized and admitted by plaintiff Lilia Valdez when she testified as rebuttal witness, to wit:

"Q.

According to Segundo Ramos there was no consideration whatsoever in favor of your father Gregorio Valdez that the compromise agreement was executed, what can you say about that?

A.

That is not true sir.

Q.

What is the truth?

A.

That is not true sir actually the compromise agreement was made to correct a mistake which was committed because the deed of sale was executed covering the portion which was titled property when it should pertain to the untitled property of Gregorio Valdez."

(TSN-Felix, 3-11-92, pp. 8-9)

The renunciation of the southern portion by Segundo Ramos, as he claimed, is inter-related to the conflict of encroachment of ownership of the land between him and Felipe Cabero. It is unthinkable and unusual for defendant-spouses to renounce the very portion of land they bought from late Gregorio Valdez to the latter without any consideration at all.

Moreover, a scrutiny of the compromise agreement reveals that the alleged renunciation was not expressly made in favor of Gregorio Valdez and worst of all, the latter was never a party in the registration case although his signature was affixed therein (Exh. B-1 and 1-a) without any designation, nor reference to the land registration case. If ever there was a renunciation, it should be in favor of Felipe Cabero because he was the oppositor, but he did not anymore pursue his opposition.

In view of the foregoing findings, it could not be said that defendant-spouses did renounce the property in question which is the northern portion to late Gregorio Valdez from whom they bought it.[9]

The Ruling of the Court of Appeals

The reversal by the Court of Appeals of the afore-quoted decision was based on the following ratiocination, to wit:

We agree with appellants' contention that the identity of the land subject of the compromise agreement vis-à-vis that covered by the Deed of Sale executed between Gregorio Valdez and defendants-appellees is no longer open to question having been made the subject of pre-trial stipulation (Pre-Trial Order dated November 19, 1991, supra). Moreover, the evidence presented supports this contention.

As can be seen from the decision dated 19 March 1979 of the Court of First Instance of Pangasinan in Land Registration Case No. U-843 Record No. N-48998 entitled Segundo Ramos, et al. vs. The Director of Lands, et al. (Exh. "3", Folder of Exhibits, pp. 15-17) only Felipe Cabero and the Director of Lands opposed defendants-appellees' application for original registration. The subject of this land registration case was that parcel of land previously owned by Alejandro Alcantara, situated at Barrio Maambal, Municipality of Pozorrubio, Province of Pangasinan containing an area of 7,073 square meters, more or less, and more particularly described in Plan Psu-1-002310. As indicated in the aforesaid decision Felipe Cabero withdrew his opposition. The Decision however does not make any reference to the Compromise Agreement executed in the same case two (2) years before, on June 2, 1977 marked as Exhibit "B" (Folder of Exhibits, p. 2).

In the Compromise Agreement (supra), the applicants in the land registration case, Segundo Ramos and Felisa Valdez had expressed their renunciation of their rights "in the document registered under Entry No. 377847 annotated at the back of O.C.T. No. 48824 of Gregorio Valdez". This entry is a Deed of Absolute Sale (Exhibit "7") executed by Gregorio Valdez married to Maria Soriano in favor of Segundo Ramos married to Felisa Valdez, the subject of which is a parcel of land consisting of 3,036 square meters of the northern portion of the land covered by OCT No. 48824 (Exhibit "A").

It is manifest from the foregoing that while the land registration case covered that parcel of land purchased by appellees from Alejandro Alcantara, which was ultimately decreed in favor of appellees in the Decision of the LRC marked Exhibit "3"; the Compromise Agreement wherein appellees declared their renunciation/quitclaim of their rights referred to another parcel of land consisting of 3,036 sq. m. that was the subject of a Deed of Absolute Sale executed by Gregorio Valdez that was a part of, hence annotated on OCT No. 48824 registered in Valdez name, which property had been earlier sold to the Spouses Ramos by Gregorio Valdez. The Spouses Ramos renounced their rights over the latter property in the Compromise Agreement marked as Exhibit "B"/"1" to effect the withdrawal of the opposition of Felipe Cabero to their application for registration in the aforesaid LRC No. U-843 (TSN, February 17, 1992, pp. 9-11). Cabero's opposition was predicated on his perceived ownership of the southern portion of the land which was formerly owned by Alejandro Alcantara that was the subject of the land registration proceedings. This southern portion adjoins another (untitled) property of Gregorio Valdez (Exhibit "E", Folder of Exhibits p. 13). This had been mistakenly sold by Valdez to Cabero in the belief that it belonged to him (Valdez). When Valdez recognized his error, and by way of disentangling a conflict that he had caused, Valdez persuaded Ramos to renounce his rights over the 3,036 sq. m. portion of his titled property, and at the same time for Cabero to withdraw his opposition to the application by Spouses Ramos for the registration in their name of the entire lot formerly belonging to Alejandro

Alcantara. Conceivably, Cabero's withdrawal of his opposition along with his occupied southern portion of Alejandro Alcantara's property, was to be exchanged with the 3,036 sq. m. portion renounced by Spouses Ramos. In his testimony Segundo Ramos spoke of accommodating the entreaties of Gregorio Valdez whom he called his "father – in – law" (TSN, February 17, 1992, p. 11).

As a consequence, applicants Spouses Segundo and Felisa Ramos in the LRC case, executed a Compromise Agreement with Felipe Cabero witnessed by Gregorio Valdez that was meant to renounce their (Ramos') claim or rights over that portion of the land which they had purchased from Gregorio Valdez in exchange for the southern portion of the land that was being occupied by Felipe Cabero. To repeat, Felipe Cabero had occupied the southern portion by virtue of a deed of sale from Gregorio Valdez but Valdez actually had no right to sell this portion, it being owned by the adjoining owner Alejandro Alcantara. This is shown by the fact that although the "Absolute Deed of Sale" executed by Alejandro Alcantara in favor of Spouses Segundo Valdez conveyed only an area of 3,000 sq. m. (Exhibit "6", Folder of Exhibits, p. 37) the total area applied for and decreed by the Land Registration Court in LRC No. U-843 in favor of applicant Spouses Segundo Ramos (Exhibit "3", Folder of Exhibits, p. 15) had a total area of 7,073 sq. m. which fact was admitted by appellee Segundo Ramos on re-cross (TSN, March 11, 1992, p. 3). On this point, Natalia Alcantara dela Cruz, daughter of Alejandro Alcantara testified on rebuttal.

...

As already stated, the LRC Decision dated 19 March 1979 (Exhibit "3") did not take cognizance of the Compromise Agreement dated 2 June 1977 although it noted that oppositor Felipe Cabero had withdrawn his opposition to the application of Spouses Ramos in the LRC case (Exhibits 3-a-1, Folder of Exhibits, p. 16). The simple explanation is that the Compromise Agreement referred to another parcel of land that was not the subject of the land registration case. In withdrawing his opposition, Felipe Cabero paved the way for Spouses Segundo Ramos to have the entire property of Alejandro Alcantara registered in their names, and not just the 3,000 sq. m. that was the subject of the deed of sale signed by Alcantara in their favor, marked Exhibit "6". Thus, Gregorio Valdez was able to effect the solution to the imbroglio he had caused by selling to Felipe Cabero land that did not belong to him but to the adjoining owner Alejandro Alcantara. This is shown by the testimony of Lilia Valdez.

...

On the part of appellees, the loss of the 3,036 sq. m. portion was amply compensated by approximately 4,000 sq. m. of the southern portion that had been occupied by Felipe Cabero but which had been included in their land registration application. The evidence of the defendants-appellees shows that "(b)ecause of his mistake, vendor Gregorio Valdez intervened and pleaded to appellees to just relinquish the area he mistakenly sold to Cabero who in exchange was to withdraw his opposition, hence the compromise agreement in question was drawn" (TSN, February 17, 1999, p. 11; January 29 1992, pp. 8-10; Appellees' Brief, p. 7). It is to be noted that Gregorio Valdez and Felipe Cabero were closely associated and even shared the same counsel Atty. Nicanor Caldito who notarized the Deed of Sale executed by Gregorio Valdez in favor of Segundo Ramos (Exhibits "B"/"1" and "2"; Folder of Exhibits, pp. 2 and 14) and who later appeared as counsel for oppositor Felipe Cabero in the land registration case. Although the withdrawal of opposition of Felipe Cabero along with his occupation of the southern portion was successfully effected by the Compromise Agreement, later events showed that Cabero was eventually removed from the picture of both parcels of land. Evidence shows that Gregorio Valdez continued to occupy the renounced portion until his death in 1991 (TSN, January 6, 1991, pp. 3-4; Pre-Trial Order, Record, p. 58). His occupation evidences his continued dominion and exercise of ownership over the entire land covered by OCT No. 48824.[10]

To state the obvious, much ado has been made over the compromise agreement. After having reviewed the records of the case, however, it has become even more obvious that private respondents cannot assert any rights under said compromise agreement, thus, it cannot be used by them to defeat petitioners' claim over the subject

land.

The compromise agreement, like any other contract, takes effect only between the parties, their assigns and heirs.[11] In herein case, the parties to the compromise agreement were petitioners and Felipe Cabero only as the same was executed by them in connection with LRC Case No. U-843 wherein petitioners were the applicants and Cabero the oppositor.[12] Gregorio Valdez, although he was very much interested in the compromise agreement as the same would solve the problem he created of selling to Cabero a piece of land not belonging to him, was not a party thereto. As correctly pointed out by petitioners, his signature might have appeared in the compromise agreement but it does not appear in what capacity he was signing. In juxtaposition, the compromise agreement expressly states in what capacity the other signatories were signing. Thus, typewritten in the agreement are the following entries:

SEGUNDO RAMOS

Applicant

FELISA VALDEZ

Applicant

FELIPE CABERO

Oppositor

ASSISTED BY:

ATTY. ELISEO E. VERSOZA

Counsel for the Applicants

Soconi, Bugallon,

ATTY. NICANOR CALDITO

Counsel for Oppositor

Pang. Pozorrubio, Pang.

The persons whose names were typewritten on the compromise agreement signed above their names. Gregorio

Valdez's name, on the other hand, as well as the role he played in the execution of the document, was not typewritten on the document. His signature, however, appears on the same line as the phrase "assisted by" just above the signature of Atty. Caldito. Petitioner Segundo Ramos swears that he did not see Gregorio Valdez sign the document at the time of the execution of the same.[13] Witness for petitioners, Leonardo Quesora, who was present at the time of the execution of the compromise agreement, likewise testified that he did not see Gregorio Valdez sign.[14] Moreover, none of the private respondents or their witnesses testified as to having witnessed Gregorio Valdez sign the compromise agreement.

It is axiomatic that a contract cannot be binding upon and cannot be enforced against one who is not a party to it, even if he is aware of such contract and has acted with knowledge thereof.[15] A person who is not a party to a compromise agreement cannot be affected by it.[16] This is already well-settled. Thus, in *Young v. Court of Appeals*[17] we stressed:

The main issue in this case is whether or not petitioner can enforce a compromise agreement to which she was not a party.

This issue has already been squarely settled by this Court in the negative in *J.M. Tuason & Co., Inc. v. Cadampog* (7 SCRA 808 [1963]) where it was ruled that appellant is not entitled to enforce a compromise agreement to which he was not a party and that as to its effect and scope, it has been determined in the sense that its effectivity if at all, is limited to the parties thereto and those mentioned in the exhibits (*J.M. Tuason & Co., Inc. v. Aguirre*, 7 SCRA 112 [1963]). It was reiterated later that a compromise agreement cannot bind persons who are not parties thereto (*Guerrero v. C.A.*, 29 SCRA 791 [1969]).

Consequently, Gregorio Valdez not being a party to the compromise agreement, his heirs (private respondents) cannot sue for its performance.

Be that as it may, private respondents additionally harp on the reference to their father made in the body of the compromise agreement itself which they claim is proof of renunciation of subject land by petitioners in favor of their father, to wit:

- That the applicants Segundo Ramos and Felisa Valdez hereby also quitclaim and renounce whatever rights in the document registered under entry No. 377847 annotated at the back of O.C.T. No. 48824 of Gregorio Valdez;

Contrary to the position taken by private respondents, the reference to their father, Gregorio Valdez, seems to us to be a mere description of the land being renounced. Nothing in the compromise agreement would suggest that the renunciation of the subject land was to be made in Gregorio Valdez's favor. Verily, for this Court to interpret the stipulation as conferring some right to a third person (i.e., stipulation pour autrui), the following requisites must concur:

- There must be a stipulation in favor of a third person;
- The stipulation in favor of a third person should be a part, not the whole, of the contract;
- The contracting parties must have clearly and deliberately conferred a favor upon a third person, not a mere incidental benefit or interest;
- The third person must have communicated his acceptance to the obligor before its revocation; and
- Neither of the contracting parties bears the legal representation or authorization of the third party.[18]

To constitute a valid stipulation pour autrui, it must be the purpose and intent of the stipulating parties to benefit the third person, and it is not sufficient that the third person may be incidentally benefited by the stipulation.[19]

In herein case, from the testimony of petitioner Segundo Ramos who is undoubtedly a party to the compromise agreement, and from the rest of the evidence on hand, any benefit which accrued to private respondents' father was merely incidental.

WHEREFORE, premises considered, the Decision of the Court of Appeals dated 31 July 1997 is REVERSED and SET ASIDE. The Decision of the Regional Trial Court of Urdaneta, Pangasinan, Branch 48, insofar as it dismissed the complaint filed by herein private respondents, is hereby AFFIRMED. No costs.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

[1] Penned by Associate Justice Portia Aliño-Hormachuelos with Associate Justices Jorge S. Imperial and Ramon U. Mabutas, Jr. concurring (Rollo, pp. 28-45).

[2] Decided by Presiding Judge Alicia Gonzalez-Decano.

[3] Rollo, p. 47.

[4] Except for Conrada Valdez who is Gregorio Valdez's daughter-in-law and Danilo and Mario Valdez who are his grandchildren (RTC Records, p. 48).

[5] Rollo, p. 24.

[6] Rollo, p. 10.

[7] Exh. "B," Folder of Exhibits, p. 2.

[8] Exh. 6, Folder of Exhibits, p. 37.

[9] Rollo, pp. 22-24.

[10] Rollo, pp. 38-44.

[11] Art. 1311. Contracts take effect only between the parties, their assigns and heirs, except in case where the rights and obligations arising from the contract are not transmissible by their nature, or by stipulation or by provision of law. The heir is not liable beyond the value of the property he received from the decedent.

If a contract should contain some stipulation in favor of a third person, he may demand its fulfillment provided he communicated his acceptance to the obligor before its revocation. A mere incidental benefit or interest of a person is not sufficient. The contracting parties must have clearly and deliberately conferred a favor upon a third person.

See also *Banzagales v. Galman*, G.R. No. 46717, 21 May 1993, 222 SCRA 350, 356.

[12] Exh. "B."

[13] TSN, 17 February 1992, p. 12; TSN, 18 February 1992, p. 6.

[14] TSN, 29 January 1992, p. 11.

[15] *University of the Philippines v. Philab Industries, Inc.*, G.R. No. 152411, 29 September 2004, 439 SCRA 467, 480.

[16] *Banzagales v. Galman*, G.R. No. 46717, 21 May 1993, 222 SCRA 350, 356.

[17] G.R. No. 79518, 13 January 1989, 169 SCRA 213, 218.

[18] Id., p. 219.

[19] Tolentino, Civil Code of the Philippines, Vol. IV, p. 433.

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.