

CORINTHIAN REALTY, INC., PETITIONER, VS. HON. COURT OF APPEALS AND EMILIO MARTIN (NOW DECEASED), MATILDE MARTIN, TEOFILO GUINTO (NOW DECEASED), DELFIN GUINTO, PRUDENCIO GUINTO A...

G.R. No. 150240. December 26, 2002

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

The petition for review on certiorari at bar seeks a reversal of the Court of Appeals July 4, 2000 Decision[1] in CA-G. R. CV No. 61029 dismissing the appeal of petitioner, Corinthian Realty, Inc., and the October 17, 2001 Resolution[2] denying the Motion for Reconsideration of the decision.

Private respondents Emilio Martin, Matilde Martin, Teofilo Guinto, Prudencio Guinto, Margarita Guinto and Delfin Guinto, along with the heirs of spouses Tomas de Leon and Francisca Medina, are the co-owners of a 47,737 sq. m. parcel of land situated in Pamplona, Las Pinas, Metro Manila covered by OCT No. 0-18 of the Register of Deeds of Rizal (the property).

On June 13, 1983, private respondents and petitioner entered into a Deed of Conditional Sale[3] (the deed) covering the property. While the names of co-owner respondent Delfin Guinto and the heirs of spouses Tomas de Leon and Francisca Medina appeared in the deed as among the vendors, they did not affix their respective signatures thereon.

Under the deed, the following terms and conditions were stipulated:

- The selling price of the above described realty is P10.00 per square meter; the total consideration of this Contract therefore is P477,370.00
- Upon the signing of this Instrument, the VENDEE will pay unto the VENDORS a sum equivalent to P3.00 per square meter of the above-described property, or a total amount of P142,211.00
- The remaining balance in the amount of P335,159.00 will be paid by the VENDEE to the VENDORS within a period of NINETY (90) DAYS from the execution of this Instrument;
- If for no justifiable reason, the VENDEE fails and/or refuses to comply with this obligation, the VENDORS, without prior notice to the VENDEE, shall forfeit-the earnest money; but as soon as the VENDEE complied (sic) with his obligation under this Contract, then the VENDORS shall immediately execute the absolute deed conveying the above described property unto the VENDEE, its executors and administrators; and, in the event the VENDORS for no justifiable reason refuse and/or fail to execute the necessary absolute deed of sale in favor of the VENDEE, then the VENDEE shall have every right to institute the necessary action for the protection of its rights and interests.[4]

On separate occasions before the execution of the deed, petitioner paid the private respondents-signatories to the

deed specific amounts of money totalling P82,956.42. Thus Emilio Martin and Matilde Martin received P47,403.67 on September 22, 1982,[5] Teofilo Guinto and Margarita Guinto received P11,850.92 each on April 14, 1983,[6] and Prudencio Guinto received P11,850.91 on June 2, 1983.[7]

Petitioner did not, contrary to the stipulation in the deed, pay the balance of the purchase price within ninety (90) days.

On January 14, 1985, petitioner instituted an action for specific performance against private respondents before the Regional Trial Court of Makati City, alleging that they refused to execute a deed of absolute sale as agreed upon in the deed and praying that they be ordered to execute the same or refund the P82,956.42 already paid to them, with interest from date of payment.[8] The prayer for refund was later deleted in an Amended Complaint[9] dated November 14, 1995.

With the exception of private respondent Teofilo Guinto who died in the interim and private respondent Delfin Guinto, private respondents countered in their Answer[10] that it was petitioner who failed to comply with the stipulations contained in the deed, it having failed to pay the balance of the purchase price within 90 days, and that the initial payments representing earnest money had been forfeited pursuant to what was agreed upon in the deed. Additionally, they alleged that it was petitioner, through its representative, who led them to believe that the co-owners heirs of spouses Tomas de Leon and Francisca Medina and private respondent Delfin Guinto had already agreed to sell their undivided shares in the property.

In his separate Answer[11] private respondent Delfin Guinto alleged that petitioner had no valid cause of action against him as he was not a signatory to the deed.

Private respondents later filed a Motion to Dismiss[12] on the ground that the complaint stated no cause of action. Over the objection of petitioner which filed its Opposition[13] to the motion, Branch 139 of the Makati Regional Trial Court dismissed the complaint by Order[14] of August 23, 1989.

Petitioner appealed to the Court of Appeals which, by Decision[15] of August 28, 1991, reversed the appealed order of dismissal and remanded the case to the trial court for further proceedings.

After trial, by Decision[16] of July 4, 2001, the trial court dismissed the complaint, it holding that petitioner entered into the deed with six separate vendors representing separate interests; that it had no valid contract with private respondent Delfin Guinto;[17] and that the suspension by petitioner of the payment of the balance of the purchase price was not justified, the failure of private respondent Guinto to sign the deed not having a bearing on its contract with the other private respondents.[18] The trial court thus concluded that it was petitioner who violated the deed.

On petitioner's appeal to the Court of Appeals where it was docketed as CA-G. R. CV No. 61029, the decision of the trial court was affirmed. Said the Court of Appeals:

"Plaintiff wants to impress upon the Court that it dealt with all defendants collectively regarding the proposed sale of subject property. All evidence, however, point to the fact that defendants are not one in their intention to sell.

This may be inferred from the fact that the defendants all received the downpayment of their share in the property did so (sic) individually and not as a group ...

...This is bolstered by the fact that one defendant, that is, defendant Delfin Guinto, never agreed to the Conditional Sale as he, in fact, refused to sign the same.

And on top of it all, the Deed of Conditional Sale was notarized on the initiative of plaintiff, at a date much

later than when payments were made (TSN, 4 September 1996, p.19.)

The fact that plaintiff viewed the property as one piece of land is not in question. However, the fact that several persons owns (sic) the property cannot also be denied....“[19] (Italics supplied).

Petitioner’s Motion for Reconsideration[20] of the Court of Appeals decision having been denied, the present petition for review on certiorari was filed, anchored on the following assigned errors:

- THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN HOLDING THAT THE RESPECTIVE SHARES OF THE CO-OWNERS OF THE SUBJECT PROPERTY WHO DID NOT SIGN THE DEED OF CONDITIONAL SALE WERE NOT AFFECTED, DESPITE THE FACT THAT PETITIONER DEALT WITH ALL THE VENDOR CO-OWNERS COLLECTIVELY AND NOT INDIVIDUALLY;
- THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT THE OBLIGATION OF PETITIONER TO FULLY COMPLY WITH ITS UNDERTAKING BY PAYING THE REMAINING BALANCE OF THE PURCHASE PRICE WAS A CONDITION PRECEDENT TO THE EXECUTION BY THE VENDOR CO-OWNERS OF THE DEED OF SALE;
- THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN HOLDING THAT PETITIONER WAS NOT JUSTIFIED IN SUSPENDING PAYMENT OF THE REMAINING BALANCE OF THE PURCHASE PRICE OVER THE SUBJECT PROPERTY; [and]
- THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN NOT HOLDING THAT THE ACTION FOR SPECIFIC PERFORMANCE WAS PROPERLY FILED BY THE PETITIONER AGAINST PRIVATE RESPONDENTS IN THE INSTANT CASE.[21]

Petitioner contends that it was error for the Court of Appeals to hold that the sale affected only the shares of those who signed the deed, it proffering that in the initial negotiation leading to the final agreement to sell, private respondent Delfin Guinto was present and agreed to sell the property.[22]

Corollarily, petitioner avers that the provisions of the deed point to its intent to transact with private respondents as a group rather than as individuals with separate interests.

At the outset, it should be noted that petitioner raises questions of facts and arguments over appreciation of evidence which are beyond the province of a petition for review.

“It is quite obvious from the above issue and assignment of error that the instant petition is founded on an imploration to re-examine the factual findings of the Court of Appeals. A review of such factual findings is, however, beyond the province of a petition for review. It has long been the doctrine that factual findings and conclusions of the Court of Appeals, especially when in complete accord with the findings of the trial court are given great weight and, as such, in the absence of palpable mistake, binding and conclusive upon this Court. It is not the function of this Court, in a petition under Rule 45, to scrutinize, weigh and analyze evidence all over again. The jurisdiction of this Court is confined to reviewing questions of law which has been defined as those that do not require the examination of the probative value of the evidence presented by the parties.”[23]

Nevertheless, from an examination of the record of the case, this Court does not find any mistake on the part of the appellate court.

Indeed, only the pro-indiviso shares in the property of the co-owners-signatories to the deed were affected by the deed, private respondent Delfin Guinto and the heirs of spouses Tomas de Leon and Francisca Medina who were therein named co-owners-vendors not having affixed their respective signatures.

That petitioner paid specific amounts of money to the co-owners-private respondents-signatories to the deed and

even had said deed notarized inspite of the absence of the signatures of the other co-owners bars the claim of petitioner that it dealt with the co-owners of the property collectively.

Petitioner's invocation of Article 1590 of the Civil Code which reads:

Art. 1590. Should the vendee be disturbed in the possession or ownership of the thing acquired, or should he have reasonable grounds to fear such disturbance, by a vindicatory action or a foreclosure of mortgage, he may suspend the payment of the price until the vendor has caused the disturbance or danger to cease, unless the latter gives security for the return of the price in a proper case, or it has been stipulated that, notwithstanding any such contingency, the vendee shall be bound to make the payment. A mere act of trespass shall not authorize the suspension of the payment of the price.

to justify its suspension of the payment of the balance of the purchase price on the basis of, so it claims, a well-grounded fear that its possession or ownership of the property would be disturbed by a vindicatory action which private respondent Delfin Guinto may institute against it fails. And so does its invocation of Article 1191 of the Civil Code which provides:

ART. 1191. The power to rescind obligations is implied in reciprocal ones, in case one of the obligors should not comply with what is incumbent upon him.

The injured party may choose between the fulfillment and the rescission of the obligation, with the payment of damages in either case. He may also seek rescission, even after he has chosen fulfillment, if the latter should become impossible.

The court shall decree the rescission claimed, unless there be just cause authorizing the fixing of a period.

This is understood to be without prejudice to the rights of third persons who have acquired the thing, in accordance with Articles 1385 and 1388 and the Mortgage Law.

For under Article 493 of the Civil Code which provides:

“Article 493. Each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership,”

a co-owner has the right to sell his undivided share. If he sells the entire property without obtaining the consent of the other co-owners, the sale is not null and void. Only the rights of the co-owner-seller are transferred, thereby making the buyer a co-owner of the property.[24] The transferee gets only what his transferor would have been entitled to after partition.[25]

“Even if a co-owner sells the whole property as his, the sale will affect only his own share but not those of the other co-owners who did not consent to the sale. This is because under the aforementioned codal provision, the sale or other disposition affects only his undivided share and the transferee gets only what would correspond to his grantor in the partition of the thing owned in common.”[26]

Petitioner's contention that its obligation to pay the balance of the purchase price within 90 days was not a condition precedent to the execution by the co-owners-vendors of the Deed of Absolute Sale is bereft of merit. The deed could not be any clearer on the matter. The pertinent provisions bear restating:

3. The remaining balance in the amount of P335,159.00 will be paid by the VENDEE to the VENDORS within a period of NINETY (90) DAYS from the execution of this Instrument;

4. . . . as soon as the VENDEE complied (sic) with his obligation under this Contract, then the VENDORS shall immediately execute the absolute deed . . . (Italics supplied).

And the Civil Code provides that:

Art. 1181. In conditional obligations, the acquisition of rights, as well as the extinguishment or loss of those already acquired, shall depend upon the happening of the event which constitutes the condition.

In fine, petitioner's compliance with its obligation to pay the balance of the purchase price was thus a condition precedent to the execution by private respondents-signatories of an absolute sale. Since it failed to comply with such obligation, the obligation of private respondent-signatories to execute a deed of absolute sale had not arisen.

Where one of the parties to a contract do[es] not perform the undertaking which he [is] bound by its terms, he is not entitled to insist upon the performance of the other party.[27]

WHEREFORE, the petition is hereby DENIED.

SO ORDERED.

Puno (Chairman), Panganiban, Sandoval-Gutierrez, and Corona, JJ., concur.

[1] CA Rollo, pp. 88-99.

[2] Id., p. 120.

[3] Exhibit "A", Records, pp. 326-329.

[4] Id., pp. 327-328.

[5] Complaint, Annex "B", Records, p. 9.

[6] Complaint, Annexes "C" and "D", Records, pp. 10-11.

[7] Complaint, Annex "E", Records, p. 12.

[8] Records, p. 3.

[9] Id., pp. 261-264.

[10] Id., pp. 29-33.

[11] Id., pp. 23-25.

[12] Id., pp. 149-152.

[13] Id., pp. 154-157.

[14] Id., pp. 165-169.

[15] Id., pp. 191-201.

[16] Id., p. 395-403.

[17] Id., p. 400.

[18] Id., p. 401.

[19] Records, pp. 398-399.

[20] Id., pp. 100-105

[21] Rollo, pp. 15-16.

[22] Id., p. 17.

[23] Villalon v. Court of Appeals, 319 SCRA 530, 535-536 (1999) (citations omitted).

[24] Bailon-Casilao v. Court of Appeals, 160 SCRA 738, 745 (1988).

[25] Paulmitan v. Court of Appeals, 215 SCRA 866, 873 (1992).

[26] Bailon-Casilao, 160 SCRA 745 (citations omitted).

[27] Agustin v. Court of Appeals, 186 SCRA 375, 383 (1990; citation omitted.)

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