

CORNELIA BALADAD (REPRESENTED BY HEINRICH M. ANGELES AND REX AARON A. BALADAD), PETITIONER, VS. SERGIO A. RUBLICO AND SPOUSES LAUREANO F. YUPANO, RESPONDENTS.

G.R. No. 160743. August 04, 2009

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-160743/>

NACHURA, J.:

Before us is a petition for review of the November 5, 2002 Decision[1] of the Court of Appeals (CA), as well as its November 10, 2003 Resolution[2] in CA-G.R. CV No. 34979, which reversed and set aside the September 9, 1991 Decision[3] of Branch 133 of the Regional Trial Court (RTC) of Makati City, in a complaint for annulment of sale, cancellation of title and damages[4] filed by petitioner Cornelia Baladad against herein respondents.

Below are the antecedent facts.

Two parcels of land located in what was then called the Municipality of Makati, Province of Rizal were registered in the name of Julian Angeles on December 20, 1965 under Transfer Certificate of Title (TCT) No. 155768.[5] On December 3, 1968, Julian and Corazon Rublico, after co-habiting for some time, got married. Julian was already 65 years old then, while Corazon was already 67.[6] At that time, Corazon already had a son, respondent Sergio A. Rublico, by Teofilo Rublico, who died sometime before the outbreak of the Second World War.[7] After Teofilo's death, Corazon cohabited with Panfilo de Jesus and then, later, with Julian. Julian died on February 2, 1969[8] leaving no compulsory heirs[9] except his wife and his brother, Eпитacio.

On February 4, 1985, while on her death bed, Cornelia was surrounded by four individuals - her niece, petitioner Cornelia Baladad; her nephew, Vicente Angeles; a certain Rosie Francisco; and notary public Atty. Julio Francisco who had been called, accompanied by Cornelia herself to Corazon's house, to notarize a deed entitled Extrajudicial Settlement of Estate with Absolute Sale. In his testimony, Atty. Francisco said that Corazon imprinted her thumbmark on the document after he read and explained the contents thereof in Tagalog to her.[10] In the said document, Corazon and Eпитacio adjudicated unto themselves the two lots registered in the name of Julian - with three-fourths ($\frac{3}{4}$) of the property going to Corazon

and the remaining one-fourth ($\frac{1}{4}$) to Eпитacio. The document also stated that both Corazon and Eпитacio conveyed by way of absolute sale both their shares in the said lots in favor of Cornelia, Eпитacio's daughter, in exchange for the amount of P107,750.00. Corazon's thumbmark was imprinted at the bottom of the said deed, while Vicente, Eпитacio's son, signed in behalf of Eпитacio by virtue of a power of attorney.[11] There was no signature of Cornelia on the said document.

Two days later, Corazon passed away.

Title over the said lots remained in the name of Julian, but on July 20, 1987, more than two years after Corazon's death, respondent Sergio executed an Affidavit of Adjudication by Sole Heir of Estate of Deceased Person[12] adjudicating unto himself the same parcels of land which had been subject of the deed of sale between Corazon

and Cornelia. On October 27, 1987, Sergio filed a petition for reconstitution of the owner's copy of TCT No. 155768 averring that after the death of Corazon, he tried to locate the copy of the title but to no avail.[13] The petition was granted on January 11, 1988[14] and a new owner's duplicate title (TCT No. 155095) was issued in the name of Sergio on April 18, 1988.[15]

On May 31, 1988, Sergio sold the two lots to spouses Laureano and Felicidad Yupano for P100,000.00.[16] Sergio's certificate of title was cancelled and TCT No. 155338 was issued in favor of the Yupanos. On July 26, 1988, the said title was also cancelled and TCT Nos. 156312[17] and 156313[18] separately covering the two parcels of land were issued. On July 17, 1990, Cornelia caused the annotation on the said TCTs of her adverse claim over the said properties.

Meanwhile, there were seven families who occupied the lots and paid rentals to Julian and, later, to Corazon. After Corazon's death, they paid rentals to Cornelia through Pacifica Alvaro, and later to Cornelia's brother, Vicente, when Cornelia transferred her residence to the United States. When the Yupanos demanded payment of rentals from the tenants, the latter filed a complaint for interpleader on May 19, 1989. The case was docketed as Civil Case No. 89-3947. On September 3, 1990, Branch 148 of the Makati RTC rendered a Decision[19] declaring the Yupanos as the legal and lawful owners of the two lots.

On August 3, 1990, a month before the promulgation of the decision, Cornelia filed a complaint for annulment of sale, cancellation of title and damages, which is now the subject of this Rule 45 petition. Cornelia argued that Sergio knew of the sale made by Corazon in her favor and was even given part of the proceeds. Cornelia also averred that the Yupanos could not be considered as buyers in good faith, because they only lived a block from the disputed properties and had knowledge that the two lots had been sold to Cornelia prior to Corazon's death.[20]

For their part, respondents argued that the Extrajudicial Settlement with Absolute Sale dated February 4, 1985 could not have been executed because at the time, Corazon was already dying. Ignacio Rublico, Sergio's son, also testified that he saw Vicente Angeles holding the hand of Corazon to affix her thumbmark on a blank sheet of paper.[21] Sergio also argued that the property was originally bought by his mother, but was only registered in the name of Julian in keeping with the tradition at that time.[22]

After the trial, Branch 133 of the Makati RTC ruled in favor of Cornelia.[23] Upon appeal, the CA reversed the RTC ruling[24] prompting Cornelia to file a motion for reconsideration,[25] but the same was denied for lack of merit.[26] Hence, this petition.

The determinative issue is the validity of the Extrajudicial Settlement of Estate with Absolute Sale purportedly executed by Corazon prior to her death.

We find in favor of petitioner.

The Extrajudicial Settlement of Estate with Absolute Sale executed by Corazon and Epitacio through the latter's attorney-in-fact, Vicente Angeles, partakes of the nature of a contract. To be precise, the said document contains two contracts, to wit: the extrajudicial adjudication of the estate of Julian Angeles between Corazon and Epitacio as Julian's compulsory heirs, and the absolute sale of the adjudicated properties to Cornelia. While contained in one document, the two are severable and each can stand on its own. Hence, for its validity, each must comply with the requisites prescribed in Article 1318 of the Civil Code, namely (1) consent of the contracting parties; (2) object certain, which is the subject matter of the contract; and (3) cause of the obligation which is established.

During the trial, respondents argued that the document was not valid because at the time it was executed, Corazon was already weak and could not have voluntarily given her consent thereto. One of the witnesses for the defense

even testified that it was Vicente who placed Corazon's thumbprint on a blank document, which later turned out to be the Extrajudicial Adjudication with Absolute Sale. We are, however, inclined to agree with the RTC's finding on this matter, viz:

Ignacio is not a reliable witness. He was very certain the event took place on February 4, 1985 and Corazon was already dead. This was his testimony on cross-examination. He had forgotten that Corazon died on February 6, 1985 or two days after. So, when confronted with this contradiction, he had to change his stance and claim that Corazon was still alive when it happened.[27]

It is also noteworthy that in the course of the trial, respondents did not question Corazon's mental state at the time she executed the said document.

Respondents only focused on her physical weakness, arguing that she could not have executed the deed because she was already dying and, thus, could not appear before a notary public.[28] Impliedly, therefore, respondents indulged the presumption that Corazon was still of sound and disposing mind when she agreed to adjudicate and sell the disputed properties on February 4, 1985.

Respondents also failed to refute the testimony of Atty. Francisco, who notarized the deed, that he personally read to Corazon the contents of the Extrajudicial Settlement of Estate with Absolute Sale, and even translated its contents to Tagalog.

And, most important of all is the fact that the subject deed is, on its face, unambiguous. When the terms of a contract are lawful, clear and unambiguous, facial challenge cannot be allowed. We should not go beyond the provisions of a clear and unambiguous contract to determine the intent of the parties thereto, because we will run the risk of substituting our own interpretation for the true intent of the parties.

It is immaterial that Cornelia's signature does not appear on the Extrajudicial Settlement of Estate with Absolute Sale. A contract of sale is perfected the moment there is a meeting of the minds upon the thing which is the object of the contract and upon the price.[29] The fact that it was Cornelia herself who brought Atty. Francisco to Corazon's house to notarize the deed shows that she had previously given her consent to the sale of the two lots in her favor. Her subsequent act of exercising dominion over the subject properties further strengthens this assumption.

Based on these findings, we are constrained to uphold the validity of the disputed deed. Accordingly, respondent Sergio Rublico never had the right to sell the subject properties to the Yupanos, because he never owned them to begin with. *Nemo dat quod non habet*. Even before he could inherit any share of the properties from his mother, Corazon, the latter had already sold them to Cornelia.

The Yupanos, for their part, cannot feign ignorance of all these, and argue that Sergio's certificate of title was clean on its face. Even prior to May 31, 1988, when they bought the properties from Sergio, it had been widely known in the neighborhood and among the tenants residing on the said lots that ownership of the two parcels of land had been transferred to Cornelia as, in fact, it was Cornelia's brother, Vicente, who had been collecting rentals on the said properties. The Yupanos lived only a block away from the disputed lots.[30] The husband, Laureano Yupano, was relatively close to Julian and to Epitacio and had known Cornelia before the latter left to live in the United States from 1979 to 1983.[31] Before he bought the property from Sergio, Laureano himself verified that there were tenants who had been paying rentals to Vicente.[32] All these should have alerted him to doubt the validity of Sergio's title over the said lots. Yet, the Yupanos chose to ignore these obvious indicators.

In *Abad v. Guimba*,[33] we explained:

[A]s a rule, the purchaser is not required to explore further than what the Certificate indicates on its face. This

rule, however, applies only to innocent purchasers for value and in good faith; it excludes a purchaser who has knowledge of a defect in the title of the vendor, or of facts sufficient to induce a reasonable prudent man to inquire into the status of the property.[34]

We thus declare the Affidavit of Adjudication by Sole Heir of Estate of Deceased person executed by Sergio Rublico to be void and without any effect. The sale made by him to spouses Yupano is, likewise, declared null and void. Respondent Sergio Rublico is ordered to return the amount of P100,000.00 paid to him by spouses Laureano Yupano, less the amount spent on the acquisition of the invalid title procured by him with the acquiescence of the Yupanos.

WHEREFORE, premises considered, the Decision of the Court of Appeals in CA-G.R. CV No. 34979 dated November 5, 2002 is hereby REVERSED and SET ASIDE. Accordingly, the Decision of the Regional Trial Court of Makati dated September 9, 1991 is REINSTATED with MODIFICATION in that:

- the Extrajudicial Adjudication of Estate with Absolute Sale dated February 4, 1985 as VALID;
- the sale between respondent Sergio Rublico and Spouses Laureano Yupano is NULL and VOID. Respondent Sergio Rublico is ordered to return the P100,000.00 paid by the Yupanos, less the amount spent on the acquisition of the invalid title procured by him with the acquiescence of the Yupanos; and
- the Register of Deeds of Makati is ordered to CANCEL Transfer Certificate of Title Nos. 156312 and 156313 in the name of Laureano Yupano and, in lieu thereof, RESTORE Transfer Certificate No. 155768.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Velasco, Jr., and Peralta, JJ., concur.

[1] Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Ruben T. Reyes (later, Supreme Court Associate Justice) and Edgardo F. Sundiam, concurring; rollo, pp. 105-117.

[2] Id. at 143-145.

[3] Id. at 49-60.

[4] Records, pp. 1-8.

[5] Id. at 121-122.

[6] Id. at 40.

[7] Id. at 26.

[8] Id. at 41.

[9] Rollo, p. 50.

[10] TSN, July 5, 1991, pp. 13-14.

[11] Id. at 203-204.

[12] Id. at 13.

[13] Id. at 43-44.

[14] Id. at 47-48

[15] Id. at 50.

[16] Id. at 14-15.

[17] Id. at 212-214.

[18] Id. at 215-217.

[19] Id. at 104-108 and rollo, p. 110.

[20] Records, pp. 1-4

[21] TSN, May 21, 1991, pp. 20-23.

[22] Rollo, p. 110.

[23] The dispositive portion of decision of Branch 133 of the RTC of Makati dated September 9, 1991 reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendants as follows:

(a) Declaring the affidavit of Self-Adjudication dated July 20, 1987 and the Affidavit of Extrajudicial Settlement of a Deceased Person dated February 16, 1988 of Sergio A. Rublico, null and void;

(b) Declaring the Deed of Absolute Sale of the litigated property by Sergio Rublico in favor of Laureano Yupano, null and void;

(c) Ordering the Register of Deeds of Makati to cancel Transfer Certificate of Title Nos. 156312 and 156313 in the name of Laureano Yupano and in lieu thereof to restore Transfer Certificate Title No. 155768 and issue a duplicate owner's certificate of title thereof in the name of Cornelia A. Baladad;

(d) Ordering defendants Sergio A. Rublico and Spouses Laureano F. Yupano to pay, jointly and severally, the amount of P10,000.00 as moral damages; and the amount of P10,000.00 as attorney's fees; and, to pay the costs.

SO ORDERED. (Rollo, pp. 59-60.)

[24] The fallo of the CA decision dated November 5, 2002 reads:

WHEREFORE, premises considered, the decision dated September 9, 1991 of the Regional Trial Court, Branch 133, Makati in Civil Case No. 90-2093 is hereby REVERSED and SET ASIDE, thus declaring: (1) the Deed of Extrajudicial Settlement with Absolute Sale in favor of plaintiff-appellee as null and void; (2) the Affidavit of Self-Adjudication executed by defendant-appellant Sergio Rublico as valid; and (3) defendants-appellants Yupanos as purchasers in good faith and lawful owners of the subject parcels of land.

SO ORDERED. (Id. at 116-117.)

[25] Id. at 118-141.

[26] Id. at 143-145.

[27] Id. at 54.

[28] Id. at 109.

[29] Article 1475, Civil Code.

[30] Rollo, p. 107.

[31] TSN, May 21, 1991, p. 42; and May 23, 1991, p. 18.

[32] TSN, May 23, 1991, p. 37.

[33] G.R. No. 157002, July 29, 2005, 465 SCRA 356, 357.

[34] Id. at 367.

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.