

**FRANCISCO G. CALMA, PETITIONER, VS. ARSENIO SANTOS,
LEONARDO SANTOS, DOMINADOR SANTOS, ALFREDO SANTOS,
LETICIA SANTOS, NATIVIDAD SANTOS, LIGAYA SANTOS, ERLINDA
SANTOS; THE HEIRS...**

G.R. No. 161027. June 22, 2009

Ponente: NACHURA, J.

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NACHURA, J.:

This is a Petition[1] for review on certiorari under Rule 45 of the Rules of Court of the Decision[2] dated November 28, 2003 of the Court of Appeals in CA-G.R. CV No. 57786.

The subject of this controversy is a property known as "Calangain Fishpond" (Fishpond), with a total area of 480,229 square meters, located in Calangain, Lubao, Pampanga. It is composed of Lot No. 1094, with an area of 297,605 square meters; Lot No. 7858, with an area of 7,952 square meters; Lot No. 7859, with an area of 6,011 square meters; and 135,350 square-meter portion of Lot No. 1093, with an area of 300,384 square meters; all of the Cadastral Survey of Lubao, and covered by Transfer Certificate of Title (TCT) No. 32391-R[3] of the Registry of Deeds of the Province of Pampanga.[4] The Fishpond also comprises Lot No. 7860, with an area of 19,681 square meters; and Lot No. 7862, with an area of 13,630 square meters, both of the Cadastral Survey of Lubao, and covered by TCT No. 32392-R,[5] also of the Registry of Deeds of Pampanga. Both TCTs are registered in the names of CELESTINO Santos, a widower, with 1/2 share, and of his children, namely: JOSE, married to Felicidad Cruz; ENCARNACION, married to German Escueta; ARCADIO, married to Rosario Cruz; FELIZA, married to Bienvenido Garcia; LEONARDO, widower; ARSENIO, married to Apolonia dela Cruz; DOMINADOR, married to Marieta Suarez; LETICIA, married to Marcial Santos; NATIVIDAD, single; LIGAYA, married to Rogelio Martin; ALFREDO and ERLINDA, both single.

On April 11, 1975, Celestino Santos died. Aside from his heirs named in the two certificates of title, Celestino had two other children, RUBEN and FEDERICO, who are now both deceased.

On various dates, petitioner Francisco Calma purchased the following shares from the Fishpond,[6] to wit:

- The 1/12 share of Encarnacion Santos-Escueta, owned by her in her own right, to the 1/2 pro indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other 1/2 pro indiviso portion of the fishpond, with an aggregate area of 37,160.57 square meters:[7]
- The 1/12 share of the deceased Arcadio Santos, owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond, and his 1/14 share, which he inherited from his deceased father, Celestino Santos, to the other one-half (1/2) pro-indiviso portion of the fishpond, with an aggregate area of 37,160.57 square meters:[8]
- The 1/12 share of Feliza Santos, owned by her in her own right, to the 1/2 pro-indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the fishpond, minus a portion of 5,000 square meters, which was previously sold to a

certain Orlando Yamat, with an aggregate area of 32,160.57 square meters;[9]

- Ten Thousand (10,000) square meters (one (1) hectare) of the 1/14 share of the herein respondents heirs of the deceased Federico Santos, which they inherited from the deceased Celestino Santos, to the 1/2 pro-indiviso portion of the fishpond owned by the said deceased;[10]

- The 1/12 share of the respondent Leonardo Santos, owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond with an area of 20,009.54 square meters;[11]

- The 1/12 share of the herein respondent Alfredo Santos, owned by him in his own right, to the 1/2 pro-indiviso portion of the portion of 135,350 square meters on the southeastern part of Lot 1093 of the Cadastral Survey of Lubao, which portion of 135,350 square meters is included in and forms part of the Calangain Fishpond, with an area of 5,639 square meters;[12]

- The 1/12 of the herein respondent Dominador Santos (substituted by his heirs), owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond, and his 1/14 share, which he inherited from his deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the fishpond with an aggregate area of 37,160.57 square meters;[13]

- The 1/12 share of the herein respondent Leticia Santos, owned by her in her own right, to the 1/2 pro-indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other pro-indiviso portion of the fishpond, with an aggregate area of 37,160.57 square meters;[14] and

- The 1/14 share of the herein respondent Leonardo Santos, which he inherited from his deceased father, Celestino Santos, to the 1/2 pro-indiviso portion of the fishpond with an area of 17,151.03 square meters.[15] (Emphasis supplied.)

Petitioner then demanded from the other co-owners of the property the identification and segregation of the shares he purchased from the rest of the Fishpond. Due to the failure of respondents to cause the division as demanded, petitioner filed a complaint for specific performance and partition. The case was docketed as Special (SP) Civil Case No. G-63, and was raffled to Branch 50 of the Regional Trial Court of Guagua, Pampanga. Subsequently, the complaint was amended in order to identify the heirs of the deceased Jose, Ruben, and Federico.[16]

Respondents Arsenio, Leonardo, Dominador, Leticia, Natividad, Ligaya, Alfredo and Erlinda jointly filed an answer[17] with compulsory counterclaim. The respondent heirs of deceased Jose (Felicidad, Aurelia, Conrado, Lolita, Florida, and Danilo), the respondent heirs of deceased Federico (Zenaida, Romulo, Judy, and Ernesto), and the respondent heir of the deceased Ruben (Antonio) filed a separate answer with compulsory counterclaim.

In their answers, respondents, in effect, admitted the existence of the deeds of absolute sale and the other agreements covering the sale and transfer of the undivided shares to the Fishpond in favor of petitioner, but alleged as follows:

- The said deeds of sale and agreements were all suffering from insidious, grave and vital defects, vitiating their validity and effectiveness;

- The deceased Celestino Santos and the deceased Jose Santos have already sold during their lifetime, to the herein respondent Arsenio Santos their respective 1/2 and 1/12 of 1/2 undivided shares to the Calangain Fishpond, and upon their death their said undivided shares were not inherited and transmitted to their children and other heirs;

- The herein petitioner as lessee of the Calangain Fishpond has been delinquent for many years in the payment of the lease rentals thereon;

- The herein petitioner has abused his rights as lessee by subleasing portions of the Calangain Fishpond to

other persons;

- The herein petitioner's rights as lessee over the Calangain Fishpond had already expired;
- The herein petitioner has no cause of action for partition against the herein respondents, as not all the persons who have an interest in the Calangain Fishpond were impleaded as parties in this action;
- With respect to the shares of Celestino Santos, Jose Santos and Leonardo Santos, the herein respondent Arsenio Santos has prior right thereto superior to that of the herein petitioner; and
- The herein respondents Arsenio Santos, Natividad Santos, Ligaya Santos and Erlinda Santos have a right of legal redemption over the undivided shares of the Calangain Fishpond sold to the herein petitioner.[18]

Petitioner then filed his answer denying the compulsory counterclaims denying the same.

After pre-trial and trial on the merits, the RTC rendered a Decision[19] dated September 29, 1997 in favor of petitioner, disposing, as follows:

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

- a.) Ordering the defendant Leonardo Santos to execute in favor of the plaintiff the corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over his one-fourteenth (1/14) share with a total area of 17,151.03 square meters pro-indiviso portion of the Calangain fishpond inherited from his deceased father, Celestino Santos, which he had sold to the plaintiff;
- b.) Ordering the defendant Dominador Santos (now his substituted heirs) to execute in favor of the plaintiff the other corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over all his shares, consisting of his 1/12 share, belonging to him in his own right, to the ½ pro-indiviso portion, and his 1/14 share, inherited from his deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the Calangain Fishpond, with a total area of 37, 160.57 square meters, more or less, which he had sold to the plaintiff;
- c.) Ordering the defendant Leticia Santos to execute in favor of the plaintiff the corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over all her shares, consisting of her 1/12 share, belonging to her in her own right, to the 1/2 pro-indiviso portion, and her 1/14 share, inherited from her deceased father, Celestino Santos, to the other, ½ pro-indiviso portion of the Calangain Fishpond, with a total area of 37,160.57 square meters, more or less, which she had sold to the plaintiff;
- d.) Ordering the defendants who still own pro-indiviso shares to the Calangain Fishpond to partition and divide the said fishpond among themselves and the plaintiff and have all the portions thereof sold to and now owned by the plaintiff with a total area of 213,594.88 square meters, more or less, segregated and awarded to the plaintiff and to execute whatever document or documents as may be necessary to properly effect such partition, division and segregation and the issuance of the corresponding certificate of title in the name of the plaintiff over the said portion of 213,594.88 square meters, more or less;
- e.) Ordering the defendants, jointly and severally to pay unto the plaintiff the amount of P30,000.00 for and as attorney's fees;
- f.) Ordering the defendants, jointly and severally, to pay unto the plaintiff the amount of P10,000.00 as litigation expenses;
- g.) Ordering the defendants, jointly and severally to pay the costs of suit.

SO ORDERED.[20]

Respondents appealed the said RTC Decision to the Court of Appeals. In its assailed Decision dated November 28, 2003, the Court of Appeals reversed and set aside the RTC Decision. The dispositive portion of the CA decision reads:

WHEREFORE, the decision appealed from is REVERSED and SET ASIDE and another one entered as follows:

- Declaring the deed of absolute sale dated March 11, 1975 executed by Celestino Santos in favor of defendant-appellant Arsenio Santos as valid;
- Declaring that defendants-appellants Arsenio Santos, Natividad Santos, Erlinda Santos and Ligaya Santos are entitled to exercise their right of legal redemption under Article 1623 of the Civil Code with respect to the shares of Encarnacion Santos-Escueta, Arcadio Santos, Felisa Santos, Federico Santos, Leonardo Santos, Dominador Santos, Leticia Santos and Alfredo Santos in the Calangain fishpond which were sold by them to plaintiff-appellee, by returning to the latter the consideration stated in their respective deeds of sale within the period of thirty (30) days from the date of finality of this judgment;
- Ordering plaintiff-appellee to execute the necessary deeds of reconveyance of the aforesaid shares sold to him in the Calangain fishpond, to and in favor of the defendants Arsenio Santos, Natividad Santos, Ligaya Santos and Erlinda Santos upon their exercise of their right of legal redemption; and
- Ordering plaintiff-appellee to pay to defendant-appellant Arsenio Santos the amount of P420,000.00, representing the balance of the unpaid rentals due on the thirty (30) hectare undivided share of the latter in the Calangain fishpond, plus the legal rate of interest thereon from October 25, 1989, the date of the filing of the answer, until said amount shall have been fully paid.

SO ORDERED.[21]

Hence, this petition raising the following issues:

- The due execution and validity of the deed of absolute sale dated March 11, 1975, executed by the deceased Celestino Santos over his one-half (1/2) pro-indiviso share to the Calangain Fishpond in favor of the herein respondent Arsenio Santos was upheld in the said decision solely for the reason that the said deed of absolute sale is a notarized document duly acknowledged before a notary public and the same has in its favor the presumption of regularity, despite the fact that sufficient proof has been adduced by the herein petitioner during the trial to overcome such presumption of regularity, and, other than the biased, flimsy, self-serving and incredible testimony of the herein respondent Arsenio Santos, no other evidence, oral or documentary, was presented by the herein respondents to sustain the validity and the genuineness and due execution of the said deed of absolute sale;
- The herein respondents Arsenio Santos, Natividad Santos, Erlinda Santos and Ligaya Santos were declared entitled to exercise their right of legal redemption under Article 1623 of the Civil Code with respect to the shares of Encarnacion Santos-Escueta, Arcadio Santos, Feliza Santos, Federico Santos, Leonardo Santos, Leticia Santos and Alfredo Santos, in the Calangain Fishpond which were sold by them to the herein petitioner, and the latter was ordered to execute the necessary deeds of reconveyance to the said respondents upon their exercise of their right to legal redemption, despite the fact that sufficient evidence exists on record conclusively showing that the said respondents and all the other respondents have actual notice of the said sales and they made the herein petitioner believe that they all approve of the said sales starting from the first sale up to the last sale, so much so, that their right to redeem the shares covered by the said sales is now barred by estoppel and or laches, because the said respondents slept on their right to redeem the said shares covered by the said sales for a long time, and it was only when they filed their answer to the amended complaint when

the said respondents claimed their right of legal redemption;

- The herein petitioner was ordered to pay the herein respondent Arsenio Santos the amount of P420,000.00, representing the alleged balance of the unpaid rentals due on the alleged thirty (30) hectare undivided share of the said respondent in the Calangain Fishpond, plus interests thereon, at the legal rate from October 25, 1989, until the said amount is fully paid, despite the fact that it is very clear from the evidence on record that the said respondent does not own thirty (30) hectares pro-indiviso share to the Calangain Fishpond, but only a small portion thereof, as he has not validly acquired ownership of the one-half (1/2) pro-indiviso share of the deceased Celestino Santos to the said fishpond, and that the herein petitioner has already paid to the said respondent more rentals than what is actually due to the said respondents;

- The reversal and setting aside of the decision dated September 29, 1997, rendered in favor of the herein petitioner by the trial court in SP. CIVIL CASE NO. G-63, and the entry of a new one in favor of the herein respondents, is contrary to applicable laws and the evidence adduced during the trial.[22]

While, admittedly, petitioner purchased several undivided shares to the Fishpond, as shown by the various deeds of sale and receipts of payments he presented in court, one critical question that we must resolve is whether or not these shares include that portion pertaining to the 1/2 share of Celestino Santos.

Respondent Arsenio claimed that the share of Celestino Santos, his father, was sold to him on March 11, 1975, one month before Celestino died. As proof, he presented before the court a Deed of Absolute Sale[23] of even date, with a consideration of P24,000.00. The Deed was duly notarized.

It is a settled rule that a notarial document is evidence of the facts in the clear unequivocal manner therein expressed; and has in its favor the presumption of regularity.[24] Notarization converts a private document into a public document, thus making that document admissible in evidence without further proof of its authenticity.[25] A notarial document is, by law, entitled to full faith and credit upon its face. Courts, administrative agencies, and the public at large must be able to rely upon the acknowledgment executed by a notary public and appended to a private instrument.[26] Indeed, a notarized deed of absolute sale, being a public document, has in its favor the presumption of regularity, which may only be rebutted by evidence so clear, strong, and convincing as to exclude all controversy as to the falsity of the certificate. Thus, the burden of proof to overcome the presumption of due execution of a notarized document lies on the party contesting such execution.[27]

In this case, it is the petitioner who has the onus of overcoming the presumed regularity of the Deed of Absolute Sale, dated March 11, 1975, in favor of respondent Arsenio. Petitioner, in attempting to discharge this burden, cited the following circumstances:

- The alleged deed of sale was executed on March 11, 1975, exactly one (1) month before the deceased Celestino Santos died on April 11, 1975, at the ripe age of more than 75 years;
- The deceased Celestino Santos was bedridden for a number of weeks before he died;
- The deceased Celestino could not read and write;
- The respondent Arsenio Santos, who is a lawyer, was the one who prepared the deed of sale;
- Despite the fact that the respondents, who are the children and grandchildren of the deceased Celestino Santos, claim in their answers to the amended complaint filed in this case that the sale made by the deceased Celestino Santos of his 1/2 pro-indiviso share to the Calangain Fishpond to the respondent Arsenio Santos, was duly executed and valid, with the exception of the respondent Arsenio Santos, none of them, including the respondent Alfredo Santos, who signed as witness to the deed of sale, and the respondent Natividad Santos, who, according to the testimony of respondent Arsenio Santos, accompanied the deceased Celestino Santos, were presented as witnesses in court to testify and confirm the said sale and the due execution and validity of

the said deed of sale, when it could have been very easy for them to do so, if the said sale was indeed true and real;

- In the meeting with regards to the said sale called at the residence of the counsel, Atty. Melquiades de Leon, of the respondents, where the respondents Arsenio Santos, Natividad Santos and Ligaya Santos, together with their said counsel, and the petitioner and his counsel, Atty. Avelino Liangco, were present, the respondent Arsenio Santos, on one hand, and the respondents Natividad Santos and Ligaya Santos, on the other, quarreled, because the respondents Natividad Santos and Ligaya Santos were questioning the validity of the said sale, claiming that the same was not a true and real sale, but the respondent Arsenio Santos was insisting that the said sale was true and real;

- Despite the fact that the alleged deed of sale (Exhibit "4") over the 1/2 pro-indiviso share of the deceased Celestino Santos to the Calangain Fishpond appears to have been executed as early as March 11, 1975, the same deed of sale was registered by the respondent Arsenio Santos with the Registry of Deeds for the Province of Pampanga only on September 4, 1989, or after more than fourteen (14) years from its execution, and barely a month before the filing of the complaint in this case on October 2, 1989, and only after a demand letter for the segregation of the shares to the Calangain Fishpond sold to the petitioner was sent to the said respondent; and

- The insertion of the phrase "number of hectares to be determined" in the receipt marked as Exhibit "6", which was prepared by the respondent Arsenio Santos himself, indicating that he, himself, was not sure of the number of hectares he owns of the Calangain Fishpond, and this clearly shows that he was not yet certain at the time he prepared the said receipt that the 1/2 pro-indiviso share of his deceased father, Celestino Santos, to the Calangain Fishpond which was allegedly sold to him on March 11, 1975, could be included the share that he owns to the said fishpond.[28]

After evaluating the foregoing circumstances, we are of the opinion that they are not sufficient to overcome the presumption of regularity in favor of the validity of the questioned Deed. First, notwithstanding the first three circumstances mentioned, petitioner failed to clearly establish that, at the time the Deed was executed, Celestino was no longer capable of entering into any transaction regarding his share of the Fishpond. Even if it is true that Celestino did not personally appear before the notary public in Quezon City, as claimed by petitioner, this alone does not nullify or render the parties' transaction void ab initio. It does not overcome the presumption of truthfulness of the statements contained in the notarized document.[29] Second, there was no need to present the testimonies of the other heirs of Celestino to confirm the sale, the Deed being a notarized document. Third, the fact that it was respondent Arsenio, a lawyer, who prepared the Deed does not affect the validity of the sale. Fourth, the fact that the siblings of Arsenio quarreled with him regarding the authenticity of the sale of their father's share to him does not operate to invalidate the sale, especially because petitioner admitted on cross-examination that, in that same meeting, he already saw the assailed Deed.[30] Fifth, respondent Arsenio was able to explain in court that the delay in registering the Deed was caused by his having to negotiate with the other heirs to buy their respective shares, and that he was still raising the money to pay for them. He testified that he wanted to register together the deeds of sale in his favor, but his siblings changed their minds. He further said that the deeds executed in his favor by Celestino and his brothers Jose and Leonardo were misplaced, and he was able to locate them only in August 1989.[31] On the other hand, petitioner himself could not amply justify why he never registered the deeds of sale in his favor executed by some of the Santos siblings. And sixth, the inclusion in the receipt of the phrase "exact number of hectares still to be determined" notwithstanding, the fact remains that petitioner acknowledged in the said receipt[32] the amount of rent that he was still obliged to pay respondent Arsenio covering the period up to April 30, 1989. Petitioner's admission that he had to pay rentals up to April 30, 1989 strengthens our view that Celestino's 1/2 share in the Fishpond could not have been validly sold to petitioner.

However, the other conveyances covered by the deeds of absolute sale and the receipts of payment in favor of petitioner involving the shares of the Santos siblings in their own right cannot be voided. Article 493 of the Civil Code provides that "(e)ach 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...." Thus, the co-owners, being owners of their respective aliquots or undivided shares in the subject property, can validly and legally dispose of their shares even without the consent of all the other co-heirs.[33] Accordingly, the vendors, co-heirs of respondents, should return whatever amount they received from petitioner corresponding to the 1/2 share of Celestino, which they were supposed to have inherited and sold to petitioner, had Celestino not disposed of this 1/2 share to respondent Arsenio. Moreover, Dominador and Leticia, who both have not yet executed the appropriate deeds of absolute sale despite receipt of the purchase price for their respective shares, must now execute the proper deeds of absolute sale, but only with respect to the shares they own in their own right.

With particular reference to the share of Leonardo, this Court notes that the Deed of Absolute Sale[34] in favor of respondent Arsenio was executed on May 10, 1977, while the Deeds of Absolute Sale[35] in favor of petitioner were executed on December 29, 1977. All the deeds are notarized documents and, thus, are presumed valid and regular until the contrary is sufficiently and clearly shown. It appears that Leonardo sold the same property twice. The governing principle in cases of double sale is *primus tempore, potior jure* (first in time, stronger in right), as specifically provided in Article 1544[36] of the Civil Code. Thus, the one who acquires it and first records it, in good faith, in the Registry of Property shall be deemed the owner of the property subject of the controversy. In this case, the rightful owner is respondent Arsenio, because he registered the Deed of Absolute Sale in his favor with the Registry of Deeds of Pampanga on September 4, 1989, as evidenced by Entry No. 7587 found in both TCT Nos. 32391-R and 32392-R, while petitioner did not cause the registration of the deeds in his favor. However, Leonardo should reimburse the amount of P21,002.00 which he received from petitioner, as evidenced by the 12 receipts[37] executed by him.

On the issue of legal redemption, Article 1623 of the Civil Code provides -

ART. 1623. The right of legal pre-emption or redemption shall not be exercised except within thirty days from the notice in writing by the prospective vendor, or by the vendor, as the case may be. The deed of sale shall not be recorded in the Registry of Property, unless accompanied by an affidavit of the vendor that he has given written notice thereof to all possible redemptioners.

The right of redemption of co-owners excludes that of adjoining owners.

Interpreting this provision, we have enumerated the requisites for the exercise of legal redemption, as follows: (1) there must be co-ownership; (2) one of the co-owners sold his right to a stranger; (3) the sale was made before the partition of the co-owned property; (4) the right of redemption must be exercised by one or more co-owners within a period of thirty days to be counted from the time he or they were notified in writing by the co-owner vendor; and (5) the vendee must be reimbursed the price of the sale.[38] With respect to the written notice, the exception is when a co-owner has actual notice of the sale.[39]

Petitioner argues that his situation falls within the exception; that respondents had actual notice of the sale of the several shares in the Fishpond, and that they are estopped from questioning the lack of written notice to them. We disagree.

We note that petitioner's testimony that he verbally notified respondent Arsenio of the sale to him of some undivided portions of the Fishpond was corroborated by another witness, Atty. Avelino Liangco. Thus, petitioner claims that it should be given more weight than the uncorroborated and lone testimony of respondent Arsenio to

the contrary. However, it should be remembered that Atty. Liangco is the counsel of petitioner and, being the agent of the latter, cannot really qualify as an independent witness. Accordingly, we are still confronted with the contradicting claims of petitioner and respondents. On this particular point, we rule in favor of respondents, because of petitioner's admission of the existence of a lease, and of the admitted obligation to pay rent on the subject property.[40] We find such an admission antithetical to the claim that petitioner notified respondents of his purchase of portions of the Fishpond. In this light, we must sustain respondents' entitlement to redeem the portions sold to petitioner upon the finality of judgment in this case. As a necessary consequence, petitioner's action for partition will not prosper, unless respondents fail to redeem the property sold.

Finally, there is the matter of petitioner's acknowledgment of rentals due Arsenio up to April 30, 1989 for the latter's share in the Fishpond, although the receipt stated that the exact number of hectares is still to be determined. By acknowledging his obligation to pay rentals, he also impliedly admitted the ownership of Arsenio over the 1/2 share of Celestino. Receipt of the two letters, dated July 18, 1988[41] and March 14, 1989,[42] sent by respondent Arsenio to petitioner demanding the payment of his outstanding obligation in the amount of P300,000.00 was admitted by petitioner. There is nothing on record showing that he ever replied to these letters, much less, question the amount being demanded therein. Not having sufficiently denied the existence of the lease, petitioner is, thus, bound to pay the proper rent in the amount that appears in the receipt and the demand letters. Furthermore, petitioner is still liable for the additional amount of P120,000.00, representing the unpaid rentals from April 30, 1989 to October 30, 1989, since it was only on November 1, 1989 that respondent Arsenio was able to take possession of the Fishpond upon the expiration of petitioner's contract of sub-lease with a certain Buenaventura Bautista,[43] which fact was not rebutted by petitioner. In sum, the CA was correct in declaring petitioner liable to pay unpaid rentals on the Fishpond in the total amount of P420,000.00.

WHEREFORE, the assailed Decision dated November 28, 2003 of the Court of Appeals is **AFFIRMED** with the **MODIFICATION** that:

- Dominador Santos and Leticia Santos, or their heirs, are ordered to execute the proper Deeds of Absolute Sale pertaining to their own shares in the Calangain Fishpond in favor of petitioner;
- Encarnacion Santos-Escueta, Arcadio Santos, Feliza Santos, Federico Santos, Alfredo Santos, Dominador Santos, and Leticia Santos, or their heirs, are ordered to reimburse petitioner the purchase price pertaining to the share of Celestino Santos, with legal interest thereon from October 25, 1989, the date of the filing of the answer, until said amount shall have been fully paid;
- Leonardo Santos, or his heirs, are ordered to reimburse petitioner the amount of P21,002.00 paid by the latter as purchase price for Leonardo's share of the Calangain Fishpond, with legal interest thereon from October 25, 1989, the date of the filing of the answer, until the said amount shall have been fully paid.

Costs against petitioner.

SO ORDERED.

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

[1] Rollo, pp. 9-44.

[2] Penned by Associate Justice Marina L. Buzon, with Associate Justices Sergio L. Pestaño and Jose C. Mendoza, concurring; *id.* at 188-212.

[3] Exhibit "K."

- [4] TCT No. 32391-R also includes Lot 1095, with an area of 28,154 square meters.
- [5] Exhibit "L."
- [6] Rollo, pp. 16-17.
- [7] As evidenced by the Deeds of Absolute Sale, both dated September 10, 1977, with a total consideration in the amount of P35,000.00; Exhibits "A" and "B."
- [8] As evidenced by the Extra-Judicial Settlement of Estate with Sale, dated August 2, 1985, with a consideration in the amount of P30,000.00, Exhibit "C."
- [9] As evidenced by a Deed of Absolute Sale, dated September 8, 1984, with a consideration in the amount of P45,000.00; Exhibit "D."
- [10] As evidenced by a Deed of Absolute Sale, dated July 9, 1979, with a consideration in the amount of P10,000.00, and the Special Power of Attorney, dated July 6, 1979, authorizing Federico's wife Catalina to sell the property, Exhibits "E" and "F," respectively.
- [11] As evidenced by the Deeds of Absolute Sale, both dated December 29, 1977, with a total consideration in the amount of P17,500.00 and the 12 receipts in various amounts, executed on different dates, in the total amount of P21,002.00; Exhibits "G" and "H" (for the deeds of sale) and Exhibits "BB" and "BB-1" to "BB-11" (for the receipts).
- [12] As evidenced by the Deed of Absolute Sale, dated September 19, 1978, with a consideration in the amount of P5,000.00; Exhibit "I."
- [13] As evidenced by the 36 receipts in various amounts executed on different dates, in the total amount of P33,800.00; Exhibits "Z," and "Z-1" to "Z-35."
- [14] As evidenced by the 20 receipts in various amounts, executed on different dates, in the total amount of P47,500.00; Exhibits "AA," and "AA-1" to "AA-19."
- [15] Supra note 11.
- [16] Id. at 47-59.
- [17] Id. at 85-98.
- [18] Id. at 19-20.
- [19] Id. at 109-132.
- [20] Id. at 131-132.
- [21] Id. at 211-212.
- [22] Id. at 25-26.
- [23] Exhibit "4."
- [24] *Abadiano v. Martir*, G.R. No. 156310, July 31, 2008, 560 SCRA 676, 692.
- [25] *St. Mary's Farm, Inc. v. Prima Real Properties, Inc.*, G.R. No. 158144, July 31, 2008, 560 SCRA 704, 713.
- [26] *Baylon v. Almo*, A.C. No. 6962, June 25, 2008, 555 SCRA 248, 252, citing *Santiago v. Rafanan*, A.C. No. 6252, October 5, 2004, 440 SCRA 91.

[27] Dailisan v. Court of Appeals, G.R. No. 176448, July 28, 2008, 560 SCRA 351, 356-357.

[28] Rollo, pp. 27-28.

[29] Supra note 25.

[30] TSN, December 3, 1996, pp. 32-33.

[31] TSN, June 28, 1996, pp. 18-20.

[32] Exhibit "6."

[33] Santos v. Lumbao, G.R. No. 169129, March 28, 2007, 519 SCRA 408, 427; Oesmer v. Paraiso Development Corporation, G.R. No. 157493, February 5, 2007, 514 SCRA 228.

[34] Exhibit "5."

[35] Exhibits "G" and "H."

[36] ART. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith.

[37] Exhibits "BB" and "BB-1" to "BB-11."

[38] Aguilar v. Aguilar, G.R. No. 141613, December 16, 2005, 478 SCRA 187, 192.

[39] Si v. Court of Appeals, G.R. No. 122047, October 12, 2000, 342 SCRA 463.

[40] Exhibit "6."

[41] Exhibit "7."

[42] Exhibit "8."

[43] TSN, February 5, 1996, pp. 12-13.

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