

LITO T. PASI, HEIRS OF JOHN T. PASI, REPRESENTED BY HIS WIDOW MARION PASI, CHARLIE T. PASI, MICHAEL T. PASI, BETTY P. BINAY-AN, VICTORIA P. PITLONGAY, BLAS T. PASI, GRACE P. SUH...

G.R. NO. 161227. March 11, 2005

Ponente: PUNO, J.

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PUNO, J.:

This is a Petition for Certiorari under Rule 45 of the Rules of Court to review the decision of the Court of Appeals in CA-G.R. CV No. 68128 dated July 28, 2003.

First, the facts.

Lito T. Pasi, the heirs of John T. Pasi (represented by his widow, Marion Pasi), Charlie T. Pasi, Michael T. Pasi, Betty P. Binay-an, Victoria P. Pitlongay, Blas T. Pasi, Grace P. Suhat, Mary Jane P. Belag, and Beata P. Gadgad (the petitioners) filed a complaint for removal of cloud on title with the Regional Trial Court of La Trinidad, Benguet[1] on January 18, 1993, docketed as Civil Case No. 93-CV-0766.[2] The petitioners sought to remove any cloud or quiet title to two parcels of unregistered land comprised of lots 1 and 2 of PSU-1-006280, situated at Barrio Kesbeng, La Trinidad, Benguet (the Property).[3]

In support of their complaint, the petitioners alleged that they are exclusive co-owners in equal shares of the Property as they inherited the same from their late father, Pedro Pasi, who died intestate on July 23, 1982. They asserted that they, by themselves and through their predecessors-in-interest, have been in actual, open, continuous, exclusive, and notorious possession and occupation of both parcels of land as owners long before June 12, 1945 up to the present.[4]

Petitioners claimed that they learned of a petition for registration of the Property some time in the last quarter of 1992 which was filed by Francisco S. Salapong, Jr., Elizabeth Salvosa Salapong, Agustin Sarmiento III and Victoria Sarmiento (the respondents). The registration proceeding was docketed as Land Registration Case No. 91-LRC-0005 and raffled to Regional Trial Court, Branch 8, La Trinidad, Benguet.[5] However, this case was subsequently withdrawn.[6]

The petitioners asserted that the Deed of Sale of Unregistered Land dated May 12, 1967 and Memorandum of Agreement dated May 13, 1967 (the Contracts) executed between the respondents and spouses Pedro Pasi and Emilia Ticol Pasi (Spouses Pasi) were fraudulently made, fictitious, invalid and are casting a cloud over the petitioners' claim over the Property.[7] On the other hand, the respondents claimed that the Property was part of an area consisting of 32,192 square meters originally sold to their progenitors Francisco Salapong and Agustin Sarmiento by the late Spouses Pasi.[8] They contended that their claims were supported by the Contracts[9] and that they had more than fully paid the purchase value of the Property to the Spouses Pasi based on receipts in their possession.[10]

Subsequently, the petitioners initiated a land registration case involving the Property which was docketed as LRC

Case No. 93-007 and raffled to Regional Trial Court, Branch 10, La Trinidad, Benguet, to which the respondents filed their opposition. After joint motion by the petitioners and respondents, LRC Case No. 93-007 was consolidated with Civil Case No. 93-CV-0766.[11]

On June 22, 2000, the Regional Trial Court rendered its decision, declaring the Contracts as invalid and without force and effect for being fake and fraudulently made and for failure to secure the prior approval of the Chairman of the National Council for Indigenous Peoples under Section 120 of Commonwealth Act No. 141, as amended.[12] The trial court reasoned that: 1) the failure of the respondents to present any of the instrumental witnesses to the Contracts; and, 2) the use of thumbprint by Emilia T. Pasi to acknowledge her consent to the Contracts instead of a signature above her typewritten name, proved that the Contracts were fake or fraudulently made.[13] The court also ruled that, in any event, the Contracts would still be voidable for lack of approval from the Chairman of the National Council for Indigenous Peoples.[14]

The respondents appealed the decision to the Court of Appeals, which was docketed as CA-G.R. CV No. 68128.[15] They alleged that the trial court erred: 1) in declaring the Contracts as fake and fraudulent; 2) in declaring that the Contracts were null and void for lack of approval from the Chairman of the National Council for Indigenous Peoples; 3) in failing to appreciate the evidence in their favor; and 4) in declaring the children of the late spouses Pasi entitled to the registration of the Property and the respondents liable to pay attorney's fees and costs.[16]

On July 28, 2003, the Court of Appeals promulgated its decision reversing the ruling of the Regional Trial Court. The appellate court declared that the petitioners had the burden of proving the allegations in their complaint and that they had failed to prove by preponderance of evidence that the Contracts were fake or fraudulently made.[17] The appellate court observed that: 1) the trial court found nothing irregular in the execution of the Contracts; and 2) petitioners could not categorically declare that the signatures of Pedro Pasi were spurious.[18] With regard to compliance with Section 120 of Commonwealth Act No. 141, the appellate court considered the trial court's observation as to Pedro Pasi's "difficult and laborious effort to write the letters of his name" as unsupported by evidence.[19] It further observed that the petitioners themselves testified that Pedro Pasi could speak a little of the English language and write his name.[20] As such, the appellate court concluded that Section 120 of Commonwealth Act No. 141, as amended, was inapplicable.[21]

We reverse the decision of the Court of Appeals.

Section 120 of Commonwealth Act No. 141, as amended, provides, viz.

SECTION 120. Conveyance and encumbrance made by persons belonging to the so-called "non-christian Filipinos" or national cultural minorities, when proper, shall be valid if the person making the conveyance or encumbrance is able to read and can understand the language in which the instrument of conveyance or encumbrances is written. Conveyances or encumbrances made by illiterate non-Christian or literate non-Christians where the instrument of conveyance or encumbrance is in a language not understood by the said literate non-Christians shall not be valid unless duly approved by the Chairman of the Commission on National Integration.

An "illiterate" is a person "having little or no education .. esp. unable to read or write." [22] After perusing the records, we believe that the respondents have sufficiently proven that the Spouses Pasi were uneducated. The pertinent sections of the transcript of stenographic notes are cited below:

DIRECT EXAMINATION OF VICTORIA PITLONGAY

Q: From where was your late father Mr. Pasi?

A: From Kesbeng, La Trinidad.

Q: What about your mother?

A: The same place Kesbeng, La Trinidad.

Q: When they were alive what kind of dialect did they speak?

A: Ibaloi.

Q: How come that they knew Ibaloi? (sic)

A: They were both Ibaloi.

Q: And do you know the highest educational attainment of your father?

A: My father did never go to school. (sic)

Q: How about your mother?

A: She did not go to school either.[23]

DIRECT EXAMINATION OF MICHEAL PASI

Q: Do you know the highest educational attainment of your father?

A: I believe he had not gone to school.

Q: How about your mother?

A: She had not gone to school also, sir.[24]

We note that the respondents' counsel failed to impugn the testimony or credibility of these witnesses regarding the education of the spouses Pasi. As the lack of education and the non-christian status of the Spouses Pasi were sufficiently proven, the burden of evidence shifted to the respondents to prove that the approval of the Chairman of the Commission on National Integration had been secured. The respondents failed to adduce proof on this matter. In fact, the parties expressly stipulated as to the non-registration of the Contracts with the Office of the Commission on National Integration.[25] The inescapable conclusion, therefore, is that the Contracts are void ab initio due to respondents' failure to comply with Section 120 of Commonwealth Act No. 141.[26]

However, we are not in full agreement with the Regional Trial Court's decision in Civil Case No. 93-CV-0766. The Regional Trial Court erred in ordering respondents to pay attorney's fees and costs[27] considering that none of the circumstances provided under the Civil Code for its imposition[28] are discernible from the record and no just and equitable reasons were advanced to justify the same. Moreover, while the court properly ordered the reimbursement of the purchase price,[29] its computation was erroneous. As shown by the transcript of stenographic notes as well as documentary evidence submitted by the respondents, the purchase price in the Contracts was not paid on the dates stated.[30] In fact, the total amount paid to or on behalf of the spouses Pasi totaled P9,994.02.[31] Therefore, the amounts paid to the spouses Pasi were unliquidated and could not be established with reasonable certainty until the promulgation of the Regional Trial Court's decision on June 22, 2000.[32] It follows that the interest at the rate of six percent on the judgment obligation may only be awarded from the date of promulgation of the Regional Trial Court's decision.[33]

We are fully aware of the rule that the Court of Appeals is the final arbiter of questions of fact and the jurisdiction of this Court in cases brought before it from the Court of Appeals is limited to reviewing and revising only errors of law.[34] However, the rule is inapplicable where the findings of fact of the Court of Appeals are contrary to those of the trial court.[35]

IN VIEW WHEREOF, the Petition is PARTIALLY GRANTED. The decision of the Court of Appeals dated July 28, 2003 is REVERSED and SET ASIDE and the decision of the Regional Trial Court in Civil Case No. 93-CV-0766 is AFFIRMED with MODIFICATIONS, as follows:

- 1) The Deed of Sale dated May 12, 1967 and Memorandum of Agreement dated May 13, 1967 are declared void ab initio;
- 2) Petitioners are ordered to jointly^[36] pay respondents P9,994.02 with interest at the rate of six percent from June 22, 2000;
- 3) The award of attorney's fees and costs is deleted and the claims for damages and other money claims are denied.

Further, the Register of Deeds of Benguet is ordered to register the title to lots 1 and 2 of PSU-1-006280 subject of LRC Case No. 93-007 and issue an original certificate of title in the names of the petitioners after payment of the required fees.

SO ORDERED.

Austria-Martinez, Callejo, Sr., Tinga, and Chico-Nazario, JJ., concur.

[1] Regional Trial Court, Branch 10, La Trinidad, Benguet.

[2] Rollo, p. 162.

[3] Rollo, p. 162.

[4] Rollo, p. 163.

[5] Rollo, p. 163.

[6] Rollo, p. 163.

[7] Rollo, pp. 163-164.

[8] Rollo, p. 164.

[9] Rollo, p. 164.

[10] Rollo, p. 164.

[11] Rollo, p. 163.

[12] Rollo, p. 164.

[13] Rollo, p. 164.

[14] Rollo, p. 165.

[15] Rollo, p. 161.

[16] Rollo, pp. 165-166.

[17] Rollo, pp. 167-168.

[18] Rollo, p. 167.

[19] Rollo, p. 169.

[20] Rollo, p. 169.

[21] Rollo, p. 169.

- [22] Webster's Third New International Dictionary Unabridged, p. 1126 (1993).
- [23] TSN, p. 6, November 17, 1998.
- [24] TSN, p. 14, November 6, 1998.
- [25] RTC Records, p. 432.
- [26] Heirs of Celso Amarente v. Court of Appeals, 185 SCRA 585 (1990); Mangayao v. Lasud, 11 SCRA 158 (1964).
- [27] CA Rollo, p. 24.
- [28] Republic Act No. 386, Article 2208 (1949).
- [29] Development Bank of the Philippines v. Court of Appeals, 249 SCRA 331 (1995); IV Tolentino, Commentaries and Jurisprudence on the Civil Code of the Philippines, p. 632 (1992).
- [30] RTC Records, pp. 613-617, 631-632, 635-673, 690-691; TSN, pp. 16-23, January 25, 2000.
- [31] RTC Records, pp. 613-617, 631-632, 635-673, 690-691; TSN, pp. 16-23, January 25, 2000.
- [32] CA Rollo, p. 24.
- [33] Eastern Shipping Lines, Inc. v. Court of Appeals, 234 SCRA 78 (1994).
- [34] Amarante v. Court of Appeals, 155 SCRA 46 (1987).
- [35] Amarante v. Court of Appeals, 155 SCRA 46 (1987).
- [36] Republic Act No. 386, Articles 774, 1207-1208 (1949).

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