

NELSON CABALES AND RITO CABALES, PETITIONERS, VS. COURT OF APPEALS, JESUS FELIANO AND ANUNCIACION FELIANO, RESPONDENTS.

G.R. No. 162421. August 31, 2007

Ponente: PUNO, C.J.

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PUNO, C.J.:

This is a petition for review on certiorari seeking the reversal of the decision[1] of the Court of Appeals dated October 27, 2003, in CA-G.R. CV No. 68319 entitled "Nelson Cabales and Rito Cabales v. Jesus Feliano and Anunciacion Feliano," which affirmed with modification the decision[2] of the Regional Trial Court of Maasin, Southern Leyte, Branch 25, dated August 11, 2000, in Civil Case No. R-2878. The resolution of the Court of Appeals dated February 23, 2004, which denied petitioners' motion for reconsideration, is likewise herein assailed.

The facts as found by the trial court and the appellate court are well established.

Rufino Cabales died on July 4, 1966 and left a 5,714-square meter parcel of land located in Brgy. Rizal, Sogod, Southern Leyte, covered by Tax Declaration No. 17270 to his surviving wife Saturnina and children Bonifacio, Albino, Francisco, Leonora, Alberto and petitioner Rito.

On July 26, 1971, brothers and co-owners Bonifacio, Albino and Alberto sold the subject property to Dr. Cayetano Corrompido for P2,000.00, with right to repurchase within eight (8) years. The three (3) siblings divided the proceeds of the sale among themselves, each getting a share of P666.66.

The following month or on August 18, 1971, Alberto secured a note ("vale") from Dr. Corrompido in the amount of P300.00.

In 1972, Alberto died leaving his wife and son, petitioner Nelson.

On December 18, 1975, within the eight-year redemption period, Bonifacio and Albino tendered their payment of P666.66 each to Dr. Corrompido. But Dr. Corrompido only released the document of sale with pacto de retro after Saturnina paid for the share of her deceased son, Alberto, including his "vale" of P300.00.

On even date, Saturnina and her four (4) children Bonifacio, Albino, Francisco and Leonora sold the subject parcel of land to respondents-spouses Jesus and Anunciacion Feliano for P8,000.00. The Deed of Sale provided in its last paragraph, thus:

It is hereby declared and understood that the amount of TWO THOUSAND TWO HUNDRED EIGHTY SIX PESOS (P2,286.00) corresponding and belonging to the Heirs of Alberto Cabales and to Rito Cabales who are still minors upon the execution of this instrument are held in trust by the VENDEE and to be paid and delivered only to them upon reaching the age of 21.

On December 17, 1985, the Register of Deeds of Southern Leyte issued Original Certificate of Title No. 17035

over the purchased land in the names of respondents-spouses.

On December 30, 1985, Saturnina and her four (4) children executed an affidavit to the effect that petitioner Nelson would only receive the amount of P176.34 from respondents-spouses when he reaches the age of 21 considering that Saturnina paid Dr. Corrompido P966.66 for the obligation of petitioner Nelson's late father Alberto, i.e., P666.66 for his share in the redemption of the sale with pacto de retro as well as his "vale" of P300.00.

On July 24, 1986, 24-year old petitioner Rito Cabales acknowledged receipt of the sum of P1,143.00 from respondent Jesus Feliano, representing the former's share in the proceeds of the sale of subject property.

In 1988, Saturnina died. Petitioner Nelson, then residing in Manila, went back to his father's hometown in Southern Leyte. That same year, he learned from his uncle, petitioner Rito, of the sale of subject property. In 1993, he signified his intention to redeem the subject land during a barangay conciliation process that he initiated.

On January 12, 1995, contending that they could not have sold their respective shares in subject property when they were minors, petitioners filed before the Regional Trial Court of Maasin, Southern Leyte, a complaint for redemption of the subject land plus damages.

In their answer, respondents-spouses maintained that petitioners were estopped from claiming any right over subject property considering that (1) petitioner Rito had already received the amount corresponding to his share of the proceeds of the sale of subject property, and (2) that petitioner Nelson failed to consign to the court the total amount of the redemption price necessary for legal redemption. They prayed for the dismissal of the case on the grounds of laches and prescription.

No amicable settlement was reached at pre-trial. Trial ensued and on August 11, 2000, the trial court ruled against petitioners. It held that (1) Alberto or, by his death, any of his heirs including petitioner Nelson lost their right to subject land when not one of them repurchased it from Dr. Corrompido; (2) Saturnina was effectively subrogated to the rights and interests of Alberto when she paid for Alberto's share as well as his obligation to Dr. Corrompido; and (3) petitioner Rito had no more right to redeem his share to subject property as the sale by Saturnina, his legal guardian pursuant to Section 7, Rule 93 of the Rules of Court, was perfectly valid; and it was shown that he received his share of the proceeds of the sale on July 24, 1986, when he was 24 years old.

On appeal, the Court of Appeals modified the decision of the trial court. It held that the sale by Saturnina of petitioner Rito's undivided share to the property was unenforceable for lack of authority or legal representation but that the contract was effectively ratified by petitioner Rito's receipt of the proceeds on July 24, 1986. The appellate court also ruled that petitioner Nelson is co-owner to the extent of one-seventh (1/7) of subject property as Saturnina was not subrogated to Alberto's rights when she repurchased his share to the property. It further directed petitioner Nelson to pay the estate of the late Saturnina Cabales the amount of P966.66, representing the amount which the latter paid for the obligation of petitioner Nelson's late father Alberto. Finally, however, it denied petitioner Nelson's claim for redemption for his failure to tender or consign in court the redemption money within the period prescribed by law.

In this petition for review on certiorari, petitioners contend that the Court of Appeals erred in (1) recognizing petitioner Nelson Cabales as co-owner of subject land but denied him the right of legal redemption, and (2) not recognizing petitioner Rito Cabales as co-owner of subject land with similar right of legal redemption.

First, we shall delineate the rights of petitioners to subject land.

When Rufino Cabales died intestate, his wife Saturnina and his six (6) children, Bonifacio, Albino, Francisco,

Leonora, Alberto and petitioner Rito, survived and succeeded him. Article 996 of the New Civil Code provides that "[i]f a widow or widower and legitimate children or descendants are left, the surviving spouse has in the succession the same share as that of each of the children." Verily, the seven (7) heirs inherited equally on subject property. Petitioner Rito and Alberto, petitioner Nelson's father, inherited in their own rights and with equal shares as the others.

But before partition of subject land was effected, Alberto died. By operation of law, his rights and obligations to one-seventh of subject land were transferred to his legal heirs - his wife and his son petitioner Nelson.

We shall now discuss the effects of the two (2) sales of subject land to the rights of the parties.

The first sale with pacto de retro to Dr. Corrompido by the brothers and co-owners Bonifacio, Albino and Alberto was valid but only as to their pro-indiviso shares to the land. When Alberto died prior to repurchasing his share, his rights and obligations were transferred to and assumed by his heirs, namely his wife and his son, petitioner Nelson. But the records show that it was Saturnina, Alberto's mother, and not his heirs, who repurchased for him. As correctly ruled by the Court of Appeals, Saturnina was not subrogated to Alberto's or his heirs' rights to the property when she repurchased the share.

In *Paulmitan v. Court of Appeals*,^[3] we held that a co-owner who redeemed the property in its entirety did not make her the owner of all of it. The property remained in a condition of co-ownership as the redemption did not provide for a mode of terminating a co-ownership.^[4] But the one who redeemed had the right to be reimbursed for the redemption price and until reimbursed, holds a lien upon the subject property for the amount due.^[5] Necessarily, when Saturnina redeemed for Alberto's heirs who had then acquired his pro-indiviso share in subject property, it did not vest in her ownership over the pro-indiviso share she redeemed. But she had the right to be reimbursed for the redemption price and held a lien upon the property for the amount due until reimbursement. The result is that the heirs of Alberto, i.e., his wife and his son petitioner Nelson, retained ownership over their pro-indiviso share.

Upon redemption from Dr. Corrompido, the subject property was resold to respondents-spouses by the co-owners. Petitioners Rito and Nelson were then minors and as indicated in the Deed of Sale, their shares in the proceeds were held in trust by respondents-spouses to be paid and delivered to them upon reaching the age of majority.

As to petitioner Rito, the contract of sale was unenforceable as correctly held by the Court of Appeals. Articles 320 and 326 of the New Civil Code^[6] state that:

Art. 320. The father, or in his absence the mother, is the legal administrator of the property pertaining to the child under parental authority. If the property is worth more than two thousand pesos, the father or mother shall give a bond subject to the approval of the Court of First Instance.

Art. 326. When the property of the child is worth more than two thousand pesos, the father or mother shall be considered a guardian of the child's property, subject to the duties and obligations of guardians under the Rules of Court.

In other words, the father, or, in his absence, the mother, is considered legal administrator of the property pertaining to the child under his or her parental authority without need of giving a bond in case the amount of the property of the child does not exceed two thousand pesos.^[7] Corollary to this, Rule 93, Section 7 of the Revised Rules of Court of 1964, applicable to this case, automatically designates the parent as legal guardian of the child without need of any judicial appointment in case the latter's property does not exceed two thousand pesos,^[8] thus:

Sec. 7. Parents as guardians. - When the property of the child under parental authority is worth two thousand pesos or less, the father or the mother, without the necessity of court appointment, shall be his legal guardian x

x x x[9]

Saturnina was clearly petitioner Rito's legal guardian without necessity of court appointment considering that the amount of his property or one-seventh of subject property was P1,143.00, which is less than two thousand pesos. However, Rule 96, Sec. 1[10] provides that:

Section 1. To what guardianship shall extend. - A guardian appointed shall have the care and custody of the person of his ward, and the management of his estate, or the management of the estate only, as the case may be. The guardian of the estate of a nonresident shall have the management of all the estate of the ward within the Philippines, and no court other than that in which such guardian was appointed shall have jurisdiction over the guardianship.

Indeed, the legal guardian only has the plenary power of administration of the minor's property. It does not include the power of alienation which needs judicial authority.[11] Thus, when Saturnina, as legal guardian of petitioner Rito, sold the latter's pro-indiviso share in subject land, she did not have the legal authority to do so.

Article 1403 of the New Civil Code provides, thus:

Art. 1403. The following contracts are unenforceable, unless they are ratified:

(1) Those entered into in the name of another person by one who has been given no authority or legal representation, or who has acted beyond his powers;

x x x x

Accordingly, the contract of sale as to the pro-indiviso share of petitioner Rito was unenforceable. However, when he acknowledged receipt of the proceeds of the sale on July 24, 1986, petitioner Rito effectively ratified it. This act of ratification rendered the sale valid and binding as to him.

With respect to petitioner Nelson, on the other hand, the contract of sale was void. He was a minor at the time of the sale. Saturnina or any and all the other co-owners were not his legal guardians with judicial authority to alienate or encumber his property. It was his mother who was his legal guardian and, if duly authorized by the courts, could validly sell his undivided share to the property. She did not. Necessarily, when Saturnina and the others sold the subject property in its entirety to respondents-spouses, they only sold and transferred title to their pro-indiviso shares and not that part which pertained to petitioner Nelson and his mother. Consequently, petitioner Nelson and his mother retained ownership over their undivided share of subject property.[12]

But may petitioners redeem the subject land from respondents-spouses? Articles 1088 and 1623 of the New Civil Code are pertinent:

Art. 1088. Should any of the heirs sell his hereditary rights to a stranger before the partition, any or all of the co-heirs may be subrogated to the rights of the purchaser by reimbursing him for the price of the sale, provided they do so within the period of one month from the time they were notified in writing of the sale by the vendor.

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.

Clearly, legal redemption may only be exercised by the co-owner or co-owners who did not part with his or their pro-indiviso share in the property held in common. As demonstrated, the sale as to the undivided share of petitioner Rito became valid and binding upon his ratification on July 24, 1986. As a result, he lost his right to

redeem subject property.

However, as likewise established, the sale as to the undivided share of petitioner Nelson and his mother was not valid such that they were not divested of their ownership thereto. Necessarily, they may redeem the subject property from respondents-spouses. But they must do so within thirty days from notice in writing of the sale by their co-owners vendors. In reckoning this period, we held in *Alonzo v. Intermediate Appellate Court*,^[13] thus:

x x x we test a law by its results; and likewise, we may add, by its purposes. It is a cardinal rule that, in seeking the meaning of the law, the first concern of the judge should be to discover in its provisions the intent of the lawmaker. Unquestionably, the law should never be interpreted in such a way as to cause injustice as this is never within the legislative intent. An indispensable part of that intent, in fact, for we presume the good motives of the legislature, is to render justice.

Thus, we interpret and apply the law not independently of but in consonance with justice. Law and justice are inseparable, and we must keep them so. x x x x

x x x x While we may not read into the law a purpose that is not there, we nevertheless have the right to read out of it the reason for its enactment. In doing so, we defer not to "the letter that killeth" but to "the spirit that vivifieth," to give effect to the lawmaker's will.

In requiring written notice, Article 1088 (and Article 1623 for that matter)^[14] seeks to ensure that the redemptioner is properly notified of the sale and to indicate the date of such notice as the starting time of the 30-day period of redemption. Considering the shortness of the period, it is really necessary, as a general rule, to pinpoint the precise date it is supposed to begin, to obviate the problem of alleged delays, sometimes consisting of only a day or two.

In the instant case, the right of redemption was invoked not days but years after the sale was made in 1978. We are not unmindful of the fact that petitioner Nelson was a minor when the sale was perfected. Nevertheless, the records show that in 1988, petitioner Nelson, then of majority age, was informed of the sale of subject property. Moreover, it was noted by the appellate court that petitioner Nelson was likewise informed thereof in 1993 and he signified his intention to redeem subject property during a barangay conciliation process. But he only filed the complaint for legal redemption and damages on January 12, 1995, certainly more than thirty days from learning about the sale.

In the face of the established facts, petitioner Nelson cannot feign ignorance of the sale of subject property in 1978. To require strict proof of written notice of the sale would be to countenance an obvious false claim of lack of knowledge thereof, thus commending the letter of the law over its purpose, i.e., the notification of redemptioners.

The Court is satisfied that there was sufficient notice of the sale to petitioner Nelson. The thirty-day redemption period commenced in 1993, after petitioner Nelson sought the barangay conciliation process to redeem his property. By January 12, 1995, when petitioner Nelson filed a complaint for legal redemption and damages, it is clear that the thirty-day period had already expired.

As in *Alonzo*, the Court, after due consideration of the facts of the instant case, hereby interprets the law in a way that will render justice.^[15]

Petitioner Nelson, as correctly held by the Court of Appeals, can no longer redeem subject property. But he and his mother remain co-owners thereof with respondents-spouses. Accordingly, title to subject property must include them.

IN VIEW WHEREOF, the petition is DENIED. The assailed decision and resolution of the Court of Appeals of

October 27, 2003 and February 23, 2004 are AFFIRMED WITH MODIFICATION. The Register of Deeds of Southern Leyte is ORDERED to cancel Original Certificate of Title No. 17035 and to issue in lieu thereof a new certificate of title in the name of respondents-spouses Jesus and Anunciacion Feliano for the 6/7 portion, and petitioner Nelson Cabales and his mother for the remaining 1/7 portion, pro indiviso.

SO ORDERED.

Sandoval-Gutierrez, Corona, Azcuna, and Garcia, JJ., concur.

[1] Penned by Associate Justice Juan Q. Enriquez, Jr. and concurred in by Associate Justices Roberto A. Barrios and Arsenio J. Magpale.

[2] Penned by Judge Romeo M. Gomez.

[3] G.R. No. 61584, November 25, 1992, 215 SCRA 867, citing *Adille v. Court of Appeals*, G.R. No. L-44546, January 29, 1988, 157 SCRA 455.

[4] *Id.*

[5] *Id.*

[6] Law applicable to the case. Executive Order No. 209 otherwise known as the Family Code of the Philippines, which expressly repealed these provisions, took effect on August 4, 1988.

[7] See *Badillo v. Ferrer*, No. L-51369, July 29, 1987, 152 SCRA 407.

[8] *Id.*

[9] The New Rules on Guardianship of Minors, adapted in the May 1, 2003 Resolution of the Court in A.M. No. 03-02-05-SC, provide, *inter alia*:

Section 1. Applicability of the Rule. - This Rule shall apply to petitions for guardianship over the person or property, or both, of a minor.

The father and the mother shall jointly exercise legal guardianship over the person and property of their unemancipated common child without the necessity of a court appointment. In such case, this Rule shall be suppletory to the provisions of the Family Code on guardianship.

[10] Revised Rules of Court of 1964.

[11] Revised Rules of Court of 1964, Rule 95.

[12] Nothing on the records indicates that petitioner Nelson's mother predeceased him.

[13] No. L-72873, May 28, 1987, 150 SCRA 259.

[14] Included for its application in the case at bar.

[15] See note 3.

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