

DIONISIA VALENCIA ET AL., PLAINTIFFS AND APPELLANTS, VS. HONORIO ACALA ET AL., DEFENDANTS AND APPELLEES.

G. R. No. 16256. September 28, 1921

Ponente: VILLAMOR, J.

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VILLAMOR, J.:

This is an action for the redemption of certain land, which is described in the complaint.

At the trial, the parties submitted to the court the following agreed statement of facts:

"The parties agree that the land in question is the same lot that is the subject of litigation in civil cause No. 966 of this court; and that in the year 1891, the plaintiff herein, Dionisia Valencia, and her deceased husband, Daniel Adepueng, conveyed to one Severino Agbagala and his wife Francisca Cadapan the land in question, as evidenced by the document marked Exhibit A of the plaintiffs, which is found on folio 24 of civil cause No. 966 of this court.

"Later on in the year 1899 Francisca Cadapan, wife of Severino Agbagala, conveyed this same property to Juan Cagayat and Josefa Galendis, as shown by the memorandum appearing at the bottom of the document marked Exhibit A of the plaintiffs, attached to the record of the cause No. 966, folio 24.

"That the possession of the land passed to Pedro Acala, who is one of the Acalas, the defendants in the present action. In the year 1912, the herein defendants Acala sold the land unconditionally to the herein defendant Bagayanan for the sum of P70."

The pertinent part of the contract Exhibit A reads thus:

"We, Daniel Adepueng and Dionisia Valencia, acknowledge being indebted to Severino Agbagala in the sum of P6.75, which we will pay with the fruits of the land the possession of which we now turn over to him. We have mortgaged it for P6.75, it being covenanted that we may redeem it by paying the same price, without taking into account the fruits of the land and the interest on the money."

The memorandum mentioned in the agreement is as follows:

"I, the undersigned, declare that the lot mentioned in the foregoing document (Exhibit A) was mortgaged by me to the spouses Juan Cagayat and Josefa Galendis for the same amount above-mentioned and with the same condition. Paete, December 6, 1899.—Francisca Cadapan—"

The judge a quo held that the contract in question was one of sale with the right of repurchase, and decided: (a) That the defendants must be absolved from the complaint; (b) that the contract (Exhibit A) and those that were successively executed involving the lot in question are contracts of sale and not of mortgage or of loan with security; (c) that the action for the redemption and annulment of the sale of the lot in question has prescribed; (d) that the defendant Apolinario Bagayanan is at present the lawful owner of the said lot; and (e) that the costs of the suit should be paid by the plaintiffs jointly and severally to the defendants.

Upon examining the record before us, and bearing in mind the fact that, when the terms of a contract are clear and

leave no doubt as to the intention of the contracting parties, the literal meaning of its clauses should prevail, we are of the opinion that the contract herein above copied is a contract of antichresis and not of sale with the right of repurchase.

In the case of *De la Vega vs. Ballilos* (34 Phil., 683), this court said:

"When money is loaned and the debtor places the creditor in possession of a piece of real property as security for the sum loaned in order that he may hold it in usufruct, in consideration for the said loan, the contract is not one of mortgage, notwithstanding the terms thereof, inasmuch as it is not of the nature of a public instrument, and even though it were, it does not appear to have been recorded in the property registry. Neither can such a contract be classified as one of sale under pacto de retro, notwithstanding that it is set forth therein that the debtor cedes and conveys to the creditor the ownership and possession of the said real property. Therefore, such a contract should be classified as one of antichresis, by means of which the creditor acquires the right to collect the fruits of the real property turned over to him by his debtor, but with the obligation to apply them to the payment of whatever interest is due and the contracting parties may stipulate that the interest of the debt be paid by the fruits of the property given in antichresis."

The legal nature of the contract in question having thus been determined, it is evident that the antichretic creditor and his successors in interest cannot acquire ownership by prescription of the realty given in antichresis.

That the defendants Acala could not sell unconditionally the same land to their codefendant Bagayanan, is proved by the agreed statement of facts according to which the possession of the predecessor in interest of the Acala people was the same precarious possession of his assignor Juan Cagayat.

The judgment appealed from is reversed, and it is ordered that the defendants return the land in question to the plaintiffs upon payment by the latter of the sum of P6.75, the redemption price of the land, without prejudice to whatever right the defendant Bagayanan may have to recover from his codefendants Acala the price he might have paid them for the land, without special finding as to costs. So ordered.

Johnson, Araullo, Street, and Avancena, JJ., concur.

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