

SPS. RUDY PARAGAS AND CORAZON B. PARAGAS, PETITIONERS, VS. HRS. OF DOMINADOR BALACANO, NAMELY: DOMINIC, RODOLFO, NANETTE AND CYRIC, ALL SURNAMED BALACANO, REPRESENTED BY NANETTE...

G.R. NO. 168220. August 31, 2005

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

This petition for review seeks to annul the Decision[1] dated 15 February 2005 of the Court of Appeals in CA-G.R. CV No. 64048, affirming with modification the 8 March 1999 Decision[2] of the Regional Trial Court (RTC), Branch 21, of Santiago City, Isabela, in Civil Case No. 21-2313. The petition likewise seeks to annul the Resolution[3] dated 17 May 2005 denying petitioners' motion for reconsideration.

The factual antecedents were synthesized by the Court of Appeals in its decision.

Gregorio Balacano, married to Lorenza Sumigcay, was the registered owner of Lot 1175-E and Lot 1175-F of the Subd. Plan Psd-38042 [located at Baluarte, Santiago City, Isabela] covered by TCT No. T-103297 and TCT No. T-103298 of the Registry of Deeds of the Province of Isabela.

Gregorio and Lorenza had three children, namely: Domingo, Catalino and Alfredo, all surnamed Balacano. Lorenza died on December 11, 1991. Gregorio, on the other hand, died on July 28, 1996.

Prior to his death, Gregorio was admitted at the Veterans General Hospital in Bayombong, Nueva Vizcaya on June 28, 1996 and stayed there until July 19, 1996. He was transferred in the afternoon of July 19, 1996 to the Veterans Memorial Hospital in Quezon City where he was confined until his death.

Gregorio purportedly sold on July 22, 1996, or barely a week prior to his death, a portion of Lot 1175-E (specifically consisting of 15,925 square meters from its total area of 22,341 square meters) and the whole Lot 1175-F to the Spouses Rudy ("Rudy") and Corazon Paragas (collectively, "the Spouses Paragas") for the total consideration of P500,000.00. This sale appeared in a deed of absolute sale notarized by Atty. Alexander V. de Guzman, Notary Public for Santiago City, on the same date - July 22, 1996 - and witnessed by Antonio Agcaoili ("Antonio") and Julia Garabiles ("Julia"). Gregorio's certificates of title over Lots 1175-E and 1175-F were consequently cancelled and new certificates of title were issued in favor of the Spouses Paragas.

The Spouses Paragas then sold on October 17, 1996 a portion of Lot 1175-E consisting of 6,416 square meters to Catalino for the total consideration of P60,000.00.

Domingo's children (Domingo, Rodolfo, Nanette and Cyric, all surnamed Balacano;...) filed on October 22, 1996 a complaint for annulment of sale and partition against Catalino and the Spouses Paragas. They essentially alleged - in asking for the nullification of the deed of sale - that: (1) their grandfather Gregorio could not have appeared before the notary public on July 22, 1996 at Santiago City because he was then confined at the Veterans Memorial Hospital in Quezon City; (2) at the time of the alleged execution of the deed of sale, Gregorio was seriously ill, in fact dying at that time, which vitiated his consent to the disposal of

the property; and (3) Catalino manipulated the execution of the deed and prevailed upon the dying Gregorio to sign his name on a paper the contents of which he never understood because of his serious condition. Alternatively, they alleged that assuming Gregorio was of sound and disposing mind, he could only transfer a half portion of Lots 1175-E and 1175-F as the other half belongs to their grandmother Lorenza who predeceased Gregorio - they claimed that Lots 1175-E and 1175-F form part of the conjugal partnership properties of Gregorio and Lorenza. Finally, they alleged that the sale to the Spouses Paragas covers only a 5-hectare portion of Lots 1175-E and 1175-F leaving a portion of 6,416 square meters that Catalino is threatening to dispose. They asked for the nullification of the deed of sale executed by Gregorio and the partition of Lots 1175-E and 1175-F. They likewise asked for damages.

Instead of filing their Answer, the defendants Catalino and the Spouses Paragas moved to dismiss the complaint on the following grounds: (1) the plaintiffs have no legal capacity - the Domingo's children cannot file the case because Domingo is still alive, although he has been absent for a long time; (2) an indispensable party is not impleaded - that Gregorio's other son, Alfredo was not made a party to the suit; and (3) the complaint states no cause of action - that Domingo's children failed to allege a ground for the annulment of the deed of sale; they did not cite any mistake, violence, intimidation, undue influence or fraud, but merely alleged that Gregorio was seriously ill. Domingo's children opposed this motion.

The lower court denied the motion to dismiss, but directed the plaintiffs-appellees to amend the complaint to include Alfredo as a party. Alfredo was subsequently declared as in default for his failure to file his Answer to the Complaint.

The defendants-appellees filed their Answer with Counterclaim on May 7, 1997, denying the material allegations of the complaint. Additionally, they claimed that: (1) the deed of sale was actually executed by Gregorio on July 19 (or 18), 1996 and not July 22, 1996; (2) the Notary Public personally went to the Hospital in Bayombong, Nueva Vizcaya on July 18, 1996 to notarize the deed of sale already subject of a previously concluded covenant between Gregorio and the Spouses Paragas; (3) at the time Gregorio signed the deed, he was strong and of sound and disposing mind; (4) Lots 1175-E and 1175-F were Gregorio's separate capital and the inscription of Lorenza's name in the titles was just a description of Gregorio's marital status; (5) the entire area of Lots 1175-E and 1175-F were sold to the Spouses Paragas. They interposed a counterclaim for damages.

At the trial, the parties proceeded to prove their respective contentions.

Plaintiff-appellant Nanette Balacano testified to prove the material allegations of their complaint. On Gregorio's medical condition, she declared that: (1) Gregorio, who was then 81 years old, weak and sick, was brought to the hospital in Bayombong, Nueva Vizcaya on June 28, 1996 and stayed there until the afternoon on July 19, 1996; (2) thereafter, Gregorio, who by then was weak and could no longer talk and whose condition had worsened, was transferred in the afternoon of July 19, 1996 to the Veterans Memorial Hospital in Quezon City where Gregorio died. She claimed that Gregorio could not have signed a deed of sale on July 19, 1996 because she stayed at the hospital the whole of that day and saw no visitors. She likewise testified on their agreement for attorney's fees with their counsel and the litigation expenses they incurred.

Additionally, the plaintiffs-appellees presented in evidence Gregorio's medical records and his death certificate.

Defendants-appellees, on the other hand, presented as witnesses Notary Public de Guzman and instrumental witness Antonio to prove Gregorio's execution of the sale and the circumstances under the deed was executed. They uniformly declared that: (1) on July 18, 1996, they went to the hospital in Bayombong, Nueva Vizcaya - where Gregorio was confined - with Rudy; (2) Atty. De Guzman read and explained the contents of the deed to Gregorio; (3) Gregorio signed the deed after receiving the money from Rudy; (4) Julia and Antonio signed the deed as witnesses. Additionally, Atty. De Guzman explained that the execution of the deed was merely a confirmation of a previous agreement between the Spouses Paragas and Gregorio that was concluded at least a

month prior to Gregorio's death; that, in fact, Gregorio had previously asked him to prepare a deed that Gregorio eventually signed on July 18, 1996. He also explained that the deed, which appeared to have been executed on July 22, 1996, was actually executed on July 18, 1996; he notarized the deed and entered it in his register only on July 22, 1996. He claimed that he did not find it necessary to state the precise date and place of execution (Bayombong, Nueva Vizcaya, instead of Santiago City) of the deed of sale because the deed is merely a confirmation of a previously agreed contract between Gregorio and the Spouses Paragas. He likewise stated that of the stated P500,000.00 consideration in the deed, Rudy paid Gregorio P450,000.00 in the hospital because Rudy had previously paid Gregorio P50,000.00. For his part, Antonio added that he was asked by Rudy to take pictures of Gregorio signing the deed. He also claimed that there was no entry on the date when he signed; nor did he remember reading Santiago City as the place of execution of the deed. He described Gregorio as still strong but sickly, who got up from the bed with Julia's help.

Witness for defendants-appellants Luisa Agsalda testified to prove that Lot 1175-E was Gregorio's separate property. She claimed that Gregorio's father (Leon) purchased a two-hectare lot from them in 1972 while the other lot was purchased from her neighbor. She also declared that Gregorio inherited these lands from his father Leon; she does not know, however, Gregorio's brothers' share in the inheritance. Defendant-appellant Catalino also testified to corroborate the testimony of witness Luisa Agsalda; he said that Gregorio told him that he (Gregorio) inherited Lots 1175-E and 1175-F from his father Leon. He also stated that a portion of Lot 1175-E consisting of 6,416 square meters was sold to him by the Spouses Paragas and that he will pay the Spouses Paragas P50,000.00, not as consideration for the return of the land but for the transfer of the title to his name.

Additionally, the defendants-appellants presented in evidence the pictures taken by Antonio when Gregorio allegedly signed the deed.[4]

The lower court, after trial, rendered the decision declaring null and void the deed of sale purportedly executed by Gregorio Balacano in favor of the spouses Rudy Paragas and Corazon Paragas. In nullifying the deed of sale executed by Gregorio, the lower court initially noted that at the time Gregorio executed the deed, Gregorio was ill. The lower court's reasoning in declaring the deed of sale null and void and this reasoning's premises may be summarized as follows: (1) the deed of sale was improperly notarized; thus it cannot be considered a public document that is usually accorded the presumption of regularity; (2) as a private document, the deed of sale's due execution must be proved in accordance with Section 20, Rule 132 of the Revised Rules on Evidence either: (a) by anyone who saw the document executed or written; or (b) by evidence of the genuineness of the signature or handwriting of the maker; and (3) it was incumbent upon the Spouses Paragas to prove the deed of sale's due execution but failed to do so - the lower court said that witness Antonio Agcaoili is not credible while Atty. Alexander De Guzman is not reliable.[5]

The lower court found the explanations of Atty. De Guzman regarding the erroneous entries on the actual place and date of execution of the deed of sale as justifications for a lie. The lower court said -

The Court cannot imagine an attorney to undertake to travel to another province to notarize a document when he must certainly know, being a lawyer and by all means, not stupid, that he has no authority to notarize a document in that province. The only logical thing that happened was that Rudy Paragas brought the deed of sale to him on July 22, 1996 already signed and requested him to notarize the same which he did, not knowing that at that time the vendor was already in a hospital and [sic] Quezon City. Of course had he known, Atty. De Guzman would not have notarized the document. But he trusted Rudy Paragas and moreover, Gregorio Balacano already informed him previously in June that he will sell his lands to Paragas. In addition [sic, (,) was omitted] Rudy Paragas also told him that Balacano received an advance of P50,000.00.

The intention to sell is not actual selling. From the first week of June when, according to Atty. De Guzman, Gregorio Balacano informed him that he will sell his land to Rudy Paragas, enough time elapsed to the time he

was brought to the hospital on June 28, 1996. Had there been a meeting of the minds between Gregorio Balacano and Rudy Paragas regarding the sale, surely Gregorio Balacano would have immediately returned to the office of Atty. De Guzman to execute the deed of sale. He did not until he was brought to the hospital and diagnosed to have liver cirrhosis. Because of the seriousness of his illness, it is not expected that Gregorio Balacano would be negotiating a contract of sale. Thus, Rudy Paragas negotiated with Catalino Balacano, the son of Gregorio Balacano with whom the latter was staying.[6]

The lower court also did not consider Antonio Agcaoili, petitioner Rudy Paragas's driver, a convincing witness, concluding that he was telling a rehearsed story. The lower court said -

The only portion of his testimony that is true is that he signed the document. How could the Court believe that he brought a camera with him just to take pictures of the signing? If the purpose was to record the proceeding for posterity, why did he not take the picture of Atty. De Guzman when the latter was reading and explaining the document to Gregorio Balacano? Why did he not take the picture of both Gregorio Balacano and Atty. de Guzman while the old man was signing the document instead of taking a picture of Gregorio Balacano alone holding a ball pen without even showing the document being signed? Verily there is a picture of a document but only a hand with a ball pen is shown with it. Why? Clearly the driver Antonio Agcaoili must have only been asked by Rudy Paragas to tell a concocted story which he himself would not dare tell in Court under oath.[7]

The lower court likewise noted that petitioner Rudy Paragas did not testify about the signing of the deed of sale. To the lower court, Rudy's refusal or failure to testify raises a lot of questions, such as: (1) was he (Rudy) afraid to divulge the circumstances of how he obtained the signature of Gregorio Balacano, and (2) was he (Rudy) afraid to admit that he did not actually pay the P500,000.00 indicated in the deed of sale as the price of the land?[8]

The lower court also ruled that Lots 1175-E and 1175-F were Gregorio's and Lorenza's conjugal partnership properties. The lower court found that these lots were acquired during the marriage because the certificates of title of these lots clearly stated that the lots are registered in the name Gregorio, "married to Lorenza Sumigcay." Thus, the lower court concluded that the presumption of law (under Article 160 of the Civil Code of the Philippines) that property acquired during the marriage is presumed to belong to the conjugal partnership fully applies to Lots 1175-E and 1175-F.[9]

Thus, on 8 March 1999, the RTC, Branch 21, of Santiago City, Isabela, rendered a Decision[10] in Civil Case No. 21-2313, the dispositive portion of which reads as follows:

WHEREFORE in the light of the foregoing considerations judgment is hereby rendered:

- DECLARING as NULL and VOID the deed of sale purportedly executed by Gregorio Balacano in favor of the spouses Rudy Paragas and Corazon Paragas over lots 1175-E and 1175-F covered by TCT Nos. T-103297 and T-103298, respectively;

- ORDERING the cancellation of TCT Nos. T-258042 and T-258041 issued in the name of the spouses Rudy and Corazon Paragas by virtue of the deed of sale; and

Declaring the parcel of lands, lots 1175-E and 1175-F as part of the estate of the deceased spouses Gregorio Balacano and Lorenza Balacano.[11]

In the assailed Decision dated 15 February 2005, the Court of Appeals affirmed the Decision of the trial court, with the modification that Lots 1175-E and 1175-F were adjudged as belonging to the estate of Gregorio Balacano. The appellate court disposed as follows:

WHEREFORE, premises considered, the appeal is hereby DISMISSED. We AFFIRM the appealed Decision for the reasons discussed above, with the MODIFICATION that Lots 1175-E and 1175-F belong to the estate

of Gregorio Balacano.

Let a copy of this Decision be furnished the Office of the Bar Confidant for whatever action her Office may take against Atty. De Guzman.[12] (Emphasis in the original.)

Herein petitioners' motion for reconsideration was met with similar lack of success when it was denied for lack of merit by the Court of Appeals in its Resolution[13] dated 17 May 2005.

Hence, this appeal via a petition for review where petitioners assign the following errors to the Court of Appeals, viz:

- THE HONORABLE COURT OF APPEALS, WITH GRAVE ABUSE OF DISCRETION, SERIOUSLY ERRED IN FINDING THAT THERE WAS NO PERFECTED AND PARTIALLY EXECUTED CONTRACT OF SALE OVER LOTS 1175-E AND 1175-F PRIOR TO THE SIGNING OF THE DEED OF SALE.
- THE HONORABLE COURT OF APPEALS, WITH GRAVE ABUSE OF DISCRETION, SERIOUSLY FAILED TO APPRECIATE THE SIGNIFICANCE OF THE JUDICIAL ADMISSION ON THE AUTHENTICITY AND DUE EXECUTION OF THE DEED OF SALE MADE BY THE RESPONDENTS DURING THE PRE-TRIAL CONFERENCE.
- THE HONORABLE COURT OF APPEALS, WITH GRAVE ABUSE OF DISCRETION, BASED ITS CONCLUSION THAT GREGORIO'S CONSENT TO THE SALE OF THE LOTS WAS ABSENT MERELY ON SPECULATIONS AND SURMISES.
- THE HONORABLE COURT OF APPEALS, WITH GRAVE ABUSE OF DISCRETION, SERIOUSLY ERRED IN NOT RULING ON THE ISSUE OF RESPONDENTS' LACK OF LEGAL CAPACITY TO SUE FOR NOT BEING THE PROPER PARTIES IN INTEREST.
- THE HONORABLE COURT OF APPEALS, WITH GRAVE ABUSE OF DISCRETION, SERIOUSLY ERRED IN DISMISSING ATTY. ALEXANDER DE GUZMAN AND ANTONIO AGCAOILI AS NOT CREDIBLE WITNESSES.[14]

At bottom is the issue of whether or not the Court of Appeals committed reversible error in upholding the findings and conclusions of the trial court on the nullity of the Deed of Sale purportedly executed between petitioners and the late Gregorio Balacano.

To start, we held in *Blanco v. Quasha*[15] that this Court is not a trier of facts. As such, it is not its function to examine and determine the weight of the evidence supporting the assailed decision. Factual findings of the Court of Appeals, which are supported by substantial evidence, are binding, final and conclusive upon the Supreme Court,[16] and carry even more weight when the said court affirms the factual findings of the trial court. Moreover, well-entrenched is the prevailing jurisprudence that only errors of law and not of facts are reviewable by this Court in a petition for review on certiorari under Rule 45 of the Revised Rules of Court.

The foregoing tenets in the case at bar apply with greater force to the petition under consideration because the factual findings by the Court of Appeals are in full agreement with that of the trial court.

Specifically, the Court of Appeals, in affirming the trial court, found that there was no prior and perfected contract of sale that remained to be fully consummated. The appellate court explained -

In support of their position, the defendants-appellants argue that at least a month prior to Gregorio's signing of the deed, Gregorio and the Spouses Paragas already agreed on the sale of Lots 1175-E and 1175-F; and that, in fact, this agreement was partially executed by Rudy's payment to Gregorio of P50,000.00 before Gregorio signed the deed at the hospital. In line with this position, defendants-appellants posit that Gregorio's consent to

the sale should be determined, not at the time Gregorio signed the deed of sale on July 18, 1996, but at the time when he agreed to sell the property in June 1996 or a month prior to the deed's signing; and in June 1996, Gregorio was of sound and disposing mind and his consent to the sale was in no wise vitiated at that time. The defendants-appellants further argue that the execution or signing of the deed of sale, however, irregular it might have been, does not affect the validity of the previously agreed sale of the lots, as the execution or signing of the deed is merely a formalization of a previously agreed oral contract.

...

In the absence of any note, memorandum or any other written instrument evidencing the alleged perfected contract of sale, we have to rely on oral testimonies, which in this case is that of Atty. de Guzman whose testimony on the alleged oral agreement may be summarized as follows: (1) that sometime in the first week of June 1996, Gregorio requested him (Atty. de Guzman) to prepare a deed of sale of two lots; (2) Gregorio came to his firm's office in the morning with a certain Doming Balacano, then returned in the afternoon with Rudy; (3) he (Atty. de Guzman) asked Gregorio whether he really intends to sell the lots; Gregorio confirmed his intention; (4) Gregorio and Rudy left the law office at 5:00 p.m., leaving the certificates of title; (5) he prepared the deed a day after Rudy and Gregorio came. With regard to the alleged partial execution of this agreement, Atty. de Guzman said that he was told by Rudy that there was already a partial payment of P50,000.00.

We do not consider Atty. de Guzman's testimony sufficient evidence to establish the fact that there was a prior agreement between Gregorio and the Spouses Paragas on the sale of Lots 1175-E and 1175-F. This testimony does not conclusively establish the meeting of the minds between Gregorio and the Spouses Paragas on the price or consideration for the sale of Lots 1175-E and 1175-F - Atty. de Guzman merely declared that he was asked by Gregorio to prepare a deed; he did not clearly narrate the details of this agreement. We cannot assume that Gregorio and the Spouses Paragas agreed to a P500,000.00 consideration based on Atty. de Guzman's bare assertion that Gregorio asked him to prepare a deed, as Atty. de Guzman was not personally aware of the agreed consideration in the sale of the lots, not being privy to the parties' agreement. To us, Rudy could have been a competent witness to testify on the perfection of this prior contract; unfortunately, the defendants-appellants did not present Rudy as their witness.

We seriously doubt too the credibility of Atty. de Guzman as a witness. We cannot rely on his testimony because of his tendency to commit falsity. He admitted in open court that while Gregorio signed the deed on July 18, 1996 at Bayombong, Nueva Vizcaya, he nevertheless did not reflect these matters when he notarized the deed; instead he entered Santiago City and July 22, 1996, as place and date of execution, respectively. To us, Atty. de Guzman's propensity to distort facts in the performance of his public functions as a notary public, in utter disregard of the significance of the act of notarization, seriously affects his credibility as a witness in the present case. In fact, Atty. de Guzman's act in falsifying the entries in his acknowledgment of the deed of sale could be the subject of administrative and disciplinary action, a matter that we however do not here decide.

Similarly, there is no conclusive proof of the partial execution of the contract because the only evidence the plaintiffs-appellants presented to prove this claim was Atty. de Guzman's testimony, which is hearsay and thus, has no probative value. Atty. de Guzman merely stated that Rudy told him that Rudy already gave P50,000.00 to Gregorio as partial payment of the purchase price; Atty. de Guzman did not personally see the payment being made.[17]

But, did Gregorio give an intelligent consent to the sale of Lots 1175-E and 1175-F when he signed the deed of sale? The trial court as well as the appellate court found in the negative. In the Court of Appeals' rationale-

It is not disputed that when Gregorio signed the deed of sale, Gregorio was seriously ill, as he in fact died a week after the deed's signing. Gregorio died of complications caused by cirrhosis of the liver. Gregorio's death

was neither sudden nor immediate; he fought at least a month-long battle against the disease until he succumbed to death on July 22, 1996. Given that Gregorio purportedly executed a deed during the last stages of his battle against his disease, we seriously doubt whether Gregorio could have read, or fully understood, the contents of the documents he signed or of the consequences of his act. We note in this regard that Gregorio was brought to the Veteran's Hospital at Quezon City because his condition had worsened on or about the time the deed was allegedly signed. This transfer and fact of death not long after speak volumes about Gregorio's condition at that time. We likewise see no conclusive evidence that the contents of the deed were sufficiently explained to Gregorio before he affixed his signature. The evidence the defendants-appellants offered to prove Gregorio's consent to the sale consists of the testimonies of Atty. de Guzman and Antonio. As discussed above, we do not find Atty. de Guzman a credible witness. Thus, we fully concur with the heretofore-quoted lower court's evaluation of the testimonies given by Atty. de Guzman and Antonio because this is an evaluation that the lower court was in a better position to make.

Additionally, the irregular and invalid notarization of the deed is a falsity that raises doubts on the regularity of the transaction itself. While the deed was indeed signed on July 18, 1996 at Bayombong, Nueva Vizcaya, the deed states otherwise, as it shows that the deed was executed on July 22, 1996 at Santiago City. Why such falsity was committed, and the circumstances under which this falsity was committed, speaks volume about the regularity and the validity of the sale. We cannot but consider the commission of this falsity, with the indispensable aid of Atty. de Guzman, an orchestrated attempt to legitimize a transaction that Gregorio did not intend to be binding upon him nor on his bounty.

Article 24 of the Civil Code tells us that in all contractual, property or other relations, when one of the parties is at a disadvantage on account of his moral dependence, ignorance, indigence, mental weakness, tender age or other handicap, the courts must be vigilant for his protection.[18]

Based on the foregoing, the court of Appeals concluded that Gregorio's consent to the sale of the lots was absent, making the contract null and void. Consequently, the spouses Paragas could not have made a subsequent transfer of the property to Catalino Balacano. Indeed, *nemo dat quod non habet*. Nobody can dispose of that which does not belong to him.[19]

We likewise find to be in accord with the evidence on record the ruling of the Court of Appeals declaring the properties in controversy as paraphernal properties of Gregorio in the absence of competent evidence on the exact date of Gregorio's acquisition of ownership of these lots.

On the credibility of witnesses, it is in rhyme with reason to believe the testimonies of the witnesses for the complainants vis-à-vis those of the defendants. In the assessment of the credibility of witnesses, we are guided by the following well-entrenched rules: (1) that evidence to be believed must not only spring from the mouth of a credible witness but must itself be credible, and (2) findings of facts and assessment of credibility of witness are matters best left to the trial court who had the front-line opportunity to personally evaluate the witnesses' demeanor, conduct, and behavior while testifying.[20]

In the case at bar, we agree in the trial court's conclusion that petitioners' star witness, Atty. De Guzman is far from being a credible witness. Unlike this Court, the trial court had the unique opportunity of observing the demeanor of said witness. Thus, we affirm the trial court and the Court of Appeals' uniform decision based on the whole evidence in record holding the Deed of Sale in question to be null and void.

In *Domingo v. Court of Appeals*,[21] the Court declared as null and void the deed of sale therein inasmuch as the seller, at the time of the execution of the alleged contract, was already of advanced age and senile. We held -

. . . She died an octogenarian on March 20, 1966, barely over a year when the deed was allegedly executed on January 28, 1965, but before copies of the deed were entered in the registry allegedly on May 16 and June 10,

1966. The general rule is that a person is not incompetent to contract merely because of advanced years or by reason of physical infirmities. However, when such age or infirmities have impaired the mental faculties so as to prevent the person from properly, intelligently, and firmly protecting her property rights then she is undeniably incapacitated. The un rebutted testimony of Zosima Domingo shows that at the time of the alleged execution of the deed, Paulina was already incapacitated physically and mentally. She narrated that Paulina played with her waste and urinated in bed. Given these circumstances, there is in our view sufficient reason to seriously doubt that she consented to the sale of and the price for her parcels of land. Moreover, there is no receipt to show that said price was paid to and received by her. Thus, we are in agreement with the trial court's finding and conclusion on the matter: . . .

In the case at bar, the Deed of Sale was allegedly signed by Gregorio on his death bed in the hospital. Gregorio was an octogenarian at the time of the alleged execution of the contract and suffering from liver cirrhosis at that - circumstances which raise grave doubts on his physical and mental capacity to freely consent to the contract. Adding to the dubiety of the purported sale and further bolstering respondents' claim that their uncle Catalino, one of the children of the decedent, had a hand in the execution of the deed is the fact that on 17 October 1996, petitioners sold a portion of Lot 1175-E consisting of 6,416 square meters to Catalino for P60,000.00.[22] One need not stretch his imagination to surmise that Catalino was in cahoots with petitioners in maneuvering the alleged sale.

On the whole, we find no reversible error on the part of the appellate court in CA-G.R. CV No. 64048 that would warrant the reversal thereof.

WHEREFORE, the present petition is hereby DENIED. Accordingly, the Decision[23] and the Resolution,[24] dated 15 February 2005 and 17 May 2005, respectively, of the Court of Appeals in CA-G.R. CV No. 64048 are hereby AFFIRMED. No costs.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

[1] Penned by Associate Justice Arturo D. Brion with Associate Justices Eugenio S. Labitoria and Eliezer R. De Los Santos concurring; Rollo, pp. 31-53.

[2] Penned by Judge Fe Albano Madrid; Rollo, pp. 111-126.

[3] Rollo, pp. 56-59.

[4] Rollo, pp. 32-39.

[5] Rollo, p. 40.

[6] Rollo, p. 41.

[7] Rollo, pp. 41-42.

[8] Rollo, p. 42.

[9] Rollo, p. 42.

[10] Penned by Judge Fe Albano Madrid; Rollo, pp. 111-126.

[11] Rollo, p. 126.

[12] Rollo, p. 53.

[13] Rollo, p. 56.

[14] Rollo, pp. 17-18.

[15] G.R. No. 133148, 17 November 1999, 318 SCRA 373.

[16] Philippine Airlines, Inc. v. Court of Appeals, G.R. No. 120262, 17 July 1997, 275 SCRA 621.

[17] Rollo, pp. 46-50.

[18] Rollo, pp. 51-52.

[19] Egao v. Court of Appeals, G.R. No. 79787, 29 June 1989, 174 SCRA 484.

[20] People v. Astudillo, G.R. No. 141518, 29 April 2003, 401 SCRA 723.

[21] G.R. No. 127540, 17 October 2001, 367 SCRA 368, 380.

[22] Rollo, p. 34.

[23] Penned by Associate Justice Arturo D. Brion with Associate Justices Eugenio S. Labitoria and Eliezer R. De Los Santos concurring; Rollo, pp. 31-53.

[24] Rollo, pp. 56-59.

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