MARCELINA V. ESPINO, FOR HERSELF AND IN REPRESENTATION OF HER DECEASED MOTHER, EMERENCIANA V. ESPINO, AND SPOUSES FELIPE DE LOS SANTOS AND MARISSA DE LOS SANTOS, PETITIONERS, VS...

G.R. NO. 168396. June 22, 2006

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

This petition for review assails the Decision[1] dated October 25, 2004 of the Court of Appeals in CA-G.R. CV No. 67640 which set aside the October 25, 1999 Decision[2] of the Regional Trial Court of Malolos, Bulacan, Branch 19, in Civil Case No. 431-M-97, as well as the Resolution[3] dated May 27, 2005 denying petitioners' motion for reconsideration.

The antecedent facts are as follows:

Emerenciana and Doroteo Espino, the parents of herein petitioner, Marcelina V. Espino, were the owners of two untitled parcels of land denominated as Lots 1475 and 1476, situated in Bambang, Bulacan and covered by Tax Declaration Nos. 96-05003-00447 and 96-05003-00449, respectively, with a total area of 134 square meters. On March 31, 1995, Emerenciana sold to Marissa Delos Santos a 20-square meter undivided portion of Lot 1475 for P20,000.00.[4]

The crux of the controversy in this case arose from the execution by Emerenciana and Marcelina on January 9, 1997 of a document, denominated as "Pagkakaloob,"[5] purportedly donating Lots 1475 and 1476 to respondent Emma Vicente, the wife of Ricardo Vicente, nephew of Emerenciana.

It appears that sometime in December 1996, Emma convinced Marcelina and Emerenciana that she could facilitate the registration and titling in their name of the house and lot where they are staying. Emma allegedly asked Emerenciana and Marcelina who are both illliterate to sign a document to be used in titling the property in their name.

Subsequently, Emerenciana and Marcelina learned that the document they signed was a Deed of Donation or a "Pagkakaloob," of the house and lot in favor of Emma, including the 20 square-meter portion that was earlier sold to Marissa. As a consequence, when Emma filed an application for free patent with the DENR-PENRO Office of Malolos, Bulacan on January 13, 1997, Marissa filed an opposition with the DENR-PENRO and the Register of Deeds. On the other hand, Emerenciana and Marcelina executed a Deed of Revocation of Donation or "Kasulatan ng Pagpapawalang Bisa sa Kasulatan ng Pagkakaloob"[6] dated April 14, 1997.

Petitioners then filed a petition[7] for annulment of patent/title and reconveyance of real property with damages with the Regional Trial Court of Malolos, Bulacan which was docketed as Civil Case No. 431-M-97 and raffled to Branch 19.

After due proceedings, the trial court rendered its decision, the dispositive portion of which provides:

> WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants as follows:
>
> - The "Pagkakaloob" Exhibit "E" of plaintiffs and Exhibit "1" of defendants is ordered ANNULLED and VOIDED by reason of fraud;
>
> - Free Patent No. 031405-97-10063 issued by the DENR-PENRO of Malolos, Bulacan is declared by VOID AB INITIO;
>
> - Tax Declarations Nos. 96-05003-03502 & 03503 and 96-05003-03506 dated January 15, 1997 and January 21, 1997, respectively, are declared VOID AB INITIO;
>
> - Ordering the defendants TO PAY PLAINTIFFS the sum of TEN THOUSAND (P10,000.00) PESOS as and by way of attorney's fees; and
>
> - Costs of suit.
>
> All other claims of plaintiffs and defendants' counterclaim are DENIED for lack of legal and factual basis.
>
> SO ORDERED.[8]

Respondents appealed to the Court of Appeals which reversed the decision of the trial court and resolved the appeal as follows:

> WHEREFORE, the decision appealed from is SET ASIDE and the complaint is DISMISSED. The Register of Deeds for the Province of Bulacan is directed to proceed with the registration of the property in the names of Marissa Delos Santos, as to an undivided 20 square-meter portion of lot 1475, and of the Spouses Emma and Ricardo Vicente, as to the remainder of lots 1475 and 1476.
>
> SO ORDERED.[9]

Hence the present petition

The sole issue for resolution is whether the Court of Appeals erred in reversing the lower court's decision and concluding that the assailed deed of donation enjoys the legal presumption of due execution and validity.

Petitioners contend that the Court of Appeals overlooked or disregarded certain factual findings of the trial court and that it failed to accord due evidentiary weight upon certain undisputed facts.[10]

Petitioners would want us to rule on questions of fact in resolving the issue they raised before us, contrary to the settled rule that only questions of law may be raised in a petition for review.

Prefatorily, we restate the time honored principle that in petitions for review under Rule 45 of the Rules of Court, only questions of law may be raised. It is not our function to analyze or weigh all over again evidence already considered in the proceedings below, our jurisdiction being limited to reviewing only errors of law that may have been committed by the lower court. The resolution of factual issues is the function of the lower courts, whose findings on these matters are received with respect. A question of law which we may pass upon must not involve an examination of the probative value of the evidence presented by the litigants.[11]

However, this rule is not iron-clad. We have consistently recognized several exceptional circumstances where we disregarded the aforesaid tenet and proceeded to review the findings of facts of the lower court such as: (1) when the conclusion is a finding grounded entirely on speculations, surmises or conjectures; (2) when the inference is manifestly absurd, mistaken or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the judgment is premised on a misapprehension of facts; (5) when the findings of facts are conflicting;

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(6) when the Court of Appeals in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties and which, if properly considered, would justify a different conclusion; and (8) when the findings of fact of the Court of Appeals are contrary to those of the trial court or are mere conclusions without citation of specific evidence, or where the facts set forth by the petitioner are not disputed by the respondent, or where the findings of fact of the Court of Appeals are premised on absence of evidence but are contradicted by the evidence on record.[12]

Considering the conflict in the factual findings of the Regional Trial Court and of the Court of Appeals, we rule on the factual issues as an exception to the general rule.

The petition is impressed with merit.

A donation is an act of liberality whereby a person disposes gratuitously a thing or right in favor of another, who accepts it.[13] Like any other contract, an agreement of the parties is essential. Consent in contracts presupposes the following requisites: (1) it should be intelligent or with an exact notion of the matter to which it refers; (2) it should be free, and (3) it should be spontaneous.[14] The parties' intention must be clear and the attendance of a vice of consent, like any contract, renders the donation voidable.[15]

For the petitioners, the vice of consent which attended the execution of the Pagkakaloob or the deed of donation came in the form of the fraud allegedly perpetrated by Emma in securing the signatures of Emerenciana and Marcelina. During her direct examination, Marcelina categorically testified that her signature and that of her deceased mother, Emerenciana, were procured by Emma through fraud and misrepresentation, thus:

Atty. Cruz:

Q: Going Back to January, 1997 when you said defendant Emma Vicente came to your house and told you and your mother that she will assist you in transferring and registering that property in question, do you remember if there was a document or kasulatan that she requested you to sign?

Marcelina Espino:

There is, sir.

Court: What was your agreement with this Emma Vicente when she went to your house on (sic) January, 1997?

A: According to her, she will help in the transferring of the property under my name, Your Honor.

Q: Why, what is the status of this property? Was is not yet titled?

A: Not yet, Your Honor.

Atty. Cruz:

When Emma Vicente told you that she will help and you said she requested you to sign, do you know what document that she requested you to sign?

A: That sheet sir. She said she is going to transfer that property under my name.

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Q: Was the document that you signed, the contents of that document, was it explained to you before you signed?

A: Yes, sir.

Q: How was it explained to you, if you know?

Atty. Tansinsin, Jr.:

No, because. . .

Court: Answer.

A: According to her, I should trust her because she will not fool me, Your Honor.

Atty. Cruz:

Do you know how to read?

A:
No, sir.

Atty. Cruz:

What was your educational attainment?

A:
Grade VI, sir.

Court:
But surely you must know how to read Tagalog?

A:
No, Your Honor.

Court: Until now?

A: No, your honor.

Atty. Cruz:

The explanation made to you by Emma Vicente about the document that you were requested to sign is that it will be used to transfer the property in your name?

Atty. Tansinsin, Jr.:

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There is no document yet, Your Honor.

Atty. Cruz:

That is why I laid the basis, Your Honor.

Court: Answer.

A: Yes, Your Honor.[16]

It becomes evident from the foregoing that Marcelina and Emerenciana, contrary to the allegations of the respondents, never intended to donate the subject property. Thus, the liberality that necessarily attends every gratuitous disposition is absent in this case. In addition, the act of Marcelina and Emerenciana of executing the Kasulatan ng Pagwawalang Bisa sa Kasulatan ng Pagkakaloob[17] after discovering that the respondents have sought the issuance of a free patent over the subject property supports the allegation that the intent to donate the subject property was never present as far as Marcelina and Emerenciana are concerned.

It is also evident that fraud attended the act of respondent Emma when she procured the signatures of Marcelina and Emerenciana. There is fraud when, through insidious words or machinations of one of the contracting parties, the other is induced to enter into a contract which, without them, he would not have agreed to.[18] Moreover, when one of the parties is unable to read, as in this case, or if the contract is in a language not understood by him, and mistake or fraud is alleged, the person enforcing the contract must show that the terms thereof have been fully explained to the former.[19] We have scoured the records of this case and we found no proof that the respondents discharged their legal duty of explaining to Marcelina, who testified that she and her mother were illiterate, the terms of the instrument.

The fraud perpetrated upon Marcelina and Emerenciana having been clearly established, the lower court was correct in annulling and voiding the Pagkakaloob. As the trial court ratiocinated:

> Pitted against Marcelina's categorical denial and clear repudiation of the "Pagkakaloob", defendants could only offer the testimony of their son Emerick Vicente who was not even present during the execution of the questioned document, Exh. "A" of the plaintiffs. The central figure of the controversy Emma Vicente deliberately chose to waive her presence much less did she testify in Court to rebut the testimony of Marcelina. Her failure to testify is evidence against the defendants. Neither did the defendants present the witnesses to the "Pagkakaloob" nor the Notary Public, Atty. Cresenciano Santiago, so they could have controverted and refuted the repudiation made by Marcelina Espino. This failure is evidence against the defendants. x x x.[20]

The Court of Appeals anchored its assailed pronouncements on the fact that the Pagkakaloob was notarized. While it is true that deeds which have been notarized are presumed to have been duly executed, this presumption of regularity can be rebutted by clear and convincing evidence as in this case. As earlier stated, the due execution of the Pagkakaloob suffered from infirmities which derogate from the presumption of regularity that notarization attaches to it. Further, Marcelina testified that she never appeared before Cresenciano C. Santiago who allegedly notarized the Pagkakaloob.

Anent the weight accorded by the Court of Appeals to the tax declarations in the names of the respondents and the realty tax receipts, we hold that while it is true that tax declarations and tax receipts are good indicia of possession in the concept of an owner, the same must be accompanied by possession for a period sufficient for prescription. By themselves, tax declarations and tax receipts do not conclusively prove ownership.[21] We have reviewed the

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records of this case and we find that even at the time of the filing of the application by respondent Emma Vicente for the issuance of a free patent over the subject property, the person occupying the same was Emerenciana Espino. Ireneo Guballa, a Public Land Inspector/Investigator of the CENRO, and a disinterested third party, testified that Emerenciana and Marcelina were the occupants of the property prior to and at the time that he conducted the ocular inspection on the premises.[22]

WHEREFORE, the petition is GRANTED. The assailed Decision dated October 25, 2004 and the May 27, 2005 Resolution of the Court of Appeals in CA-G.R. CV No. 67640 are ANNULED and SET ASIDE. The October 25, 1999 Decision of the Regional Trial Court of Malolos, Bulacan, Branch 19 in Civil Case No. 431-M-97 ordering the annulment of the "Pagkakaloob" for being null and void, declaring Tax Declaration Nos. 96-05003-03502 and 03503 and 96-05003-03506 void ab initio, declaring Free Patent No. 031405-97-10063 void ab initio and ordering herein respondent to pay P10,000.00 to the petitioners as attorney's fees, is REINSTATED.

SO ORDERED.

Panganiban, C.J., (Chairperson), Austria-Martinez, Callejo, Sr., and Chico-Nazario, JJ., concur.

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[1] Rollo, pp. 13-18. Penned by Associate Justice Santiago Javier Ranada and concurred in by Associate Justices Marina L. Buzon and Mario L. Guariña III.

[2] Records, Vol. I, pp. 150-155. Penned by Judge Renato C. Francisco.

[3] Rollo, pp. 20-21.

[4] Court of Appeals rollo, p. 16.

[5] Records, Vol. 1, pp. 10-11.

[6] Id. at 18-19.

[7] Id. at 1-5.

[8] Id. at 154-155.

[9] Rollo, p. 17.

[10] Id. at 6.

[11] University of San Agustin Employees' Union-FFW v. Court of Appeals, G.R. No. 169632, March 28, 2006.

[12] Buduhan v. Pakurao, G.R. No. 168237, February 22, 2006.

[13] CIVIL CODE, Art. 725.

[14] Lim, Jr. v. San, G.R. No. 159723, September 9, 2004, 438 SCRA 102, 106-107.

[15] Vitug, Civil Law Annotated, Vol. II, 2003 edition, p. 149. See also Article 1330 of the New Civil Code:

> ARTICLE 1330. A contract where consent is given through mistake, violence, intimidation, undue influence, or fraud is voidable.

[16] TSN, March 19, 1998, pp. 7-9.

[17] Records, Vol. 1, pp. 18-19.

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[18] CIVL CODE, Art. 1338.

[19] CIVIL CODE, Art. 1332.

[20] Records, Vol. I, pp. 152-153.

[21] Heirs of Clemente Ermac v. Heirs of Vicente Ermac, G.R. No. 149679, May 30, 2003, 403 SCRA 291, 299.

[22] TSN, May 7, 1998, pp. 4-6.

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