

LOOC BAY TIMBER INDUSTRIES, INC., PETITIONER, VS. INTESTATE ESTATES OF VICTOR MONTECALVO AND CONCORDIA L. MONTECALVO, REPRESENTED BY DR. VICTOR L. MONTECALVO, JR., ENGR. FRANK L...

G.R. No. 174925. June 30, 2008

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Victor Montecalvo, Sr. (Montecalvo, Sr.) and his wife Concordia Montecalvo purchased a parcel of land, identified as Lot No. 4083 (Lot No. 4083), containing an area of 23,920 square meters, located in Barangay Alegria (formerly Kaguit-itan), San Isidro, Northern Samar from Candida Apal in whose name the title to the land, Original Certificate of Title No. (5410) 3921 of the Register of Deeds of Samar,[1] was issued.

Montecalvo, Sr. leased Lot No. 4083 to Looc Bay Timber Industries, Inc. (petitioner) which it used as a logpond. Upon the expiration of the lease in 1978, it was extended for ten years with the agreement that it was going to be extended for another ten years.

On November 10, 1983, the spouses Montecalvo, Sr. and petitioner forged an agreement (November 10, 1983 Agreement)[2] under which petitioner agreed to buy a 13,410-square meter portion of the land "which petitioner is presently using as its logpond" for a total consideration of P335,250, P203,000 of which had been previously paid by petitioner, the balance to be paid on installment.

On November 28, 1984, an agreement (November 28, 1984 Agreement)[3] was prepared wherein Montecalvo, Sr., therein described as "the owner and in the actual possession of the parcel of land located in Alegria," agreed to sell to the Visayan Forest Development Corporation, sister company of petitioner, "certain portions adjoining the logging road of [petitioner] or the entirety of the said land . . ." at P12.50 per square meter. Under the November 28, 1984 Agreement, the corporation was "to pay some amounts to [Victor Montecalvo . . . which would] be considered later when the deed of absolute sale shall be executed by the parties."

Montecalvo, Sr. died in October 1992, while his wife Concordia Montecalvo died on September 8, 1998.

By a Notice to Terminate Contract of Lease dated February 19, 1999, the couple's heirs notified petitioner that they were terminating the 1978 lease of "a certain parcel of land containing an area of three [3] [sic] hectares situated in Barangay Alegria . . . , covered by Original Certificate of Title No. 5410 . . ."

By petitioner's claim, during the lifetime of Montecalvo, Sr., the latter promised to execute the deeds of sale corresponding to the two above-mentioned agreements and to deliver "the owners copies of the titles" to the lands subject thereof but that he failed to do so; and that despite repeated demands from the herein respondents, Intestate Estates of Montecalvo, Sr. and his wife Concordia L. Montecalvo, represented by the couple's heirs, no documents of sale were executed nor were the owners copies of the titles delivered to it.

Petitioner thus filed on November 25, 1998 a complaint before the Regional Trial Court (RTC) of Samar against respondents for Specific Performance.

Respondents, in their Answer,[4] denied knowledge about their parents' execution of the two agreements. In any event, respondents contended that assuming that there were such agreements, the cause of action of petitioner had prescribed and that there were no more estates left by their parents "for the payment of [their] debts."

Branch 23 of the RTC of Allen, Samar, by Decision of June 27, 2002,[5] found that the agreements were valid but that there was no showing that the considerations mentioned therein were fully paid. Thus, it disposed:

WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered ordering the defendants to execute the necessary deed of sale subject to the full payment of the considerations stipulated in the two (2) Agreements. Pending compliance by the plaintiff as to the full payment of the consideration, the decision in the instant case cannot be enforced.

No pronouncement as to damages and counterclaims, both parties having failed to prove their claims.

SO ORDERED.[6] (Emphasis and underscoring supplied)

On appeal, the Court of Appeals, by Decision of April 18, 2006,[7] found that the consideration stated in the first agreement-November 10, 1983 Agreement was fully paid.

With respect to the second agreement-November 28, 1984 Agreement, the appellate court held that it was not binding as Valeriano Bueno, the representative of petitioner's sister company-prospective vendee Visayan Forest and Development Corporation, did not affix his signature on the agreement, an indication that it did not intend to enter into it. Thus the appellate court nullified the said agreement, disposing:

IN LIGHT OF ALL THE FOREGOING, this appeal is DENIED but the decision of the Regional Trial Court, Br. 23, 8[th] Judicial Region, Allen, Northern Samar in Civil Case NO. A-821 for Specific Performance is AFFIRMED with MODIFICATION.

The defendants are ordered to execute the necessary deed of conveyance in favor of the plaintiff for that property covering the Agreement dated November 10, 1983.

Declaring the Agreement dated November 28, 1984 to be void and of no effect for lack of consent on the part of the vendee.

Costs against the defendants-appellants.

SO ORDERED.[8] (Emphasis and underscoring supplied).

Hence, the present petition for review, petitioner faulting the appellate court

. . . IN AFFIRMING WITH MODIFICATION THE DECISION OF THE TRIAL COURT "DECLARING THE AGREEMENT DATED NOVEMBER 28, 1984 TO BE VOID AND OF NO EFFECT FOR LACK OF CONSENT ON THE PART OF THE VENDEE."[9]

In nullifying the November 28, 1984 Agreement, the Court of Appeals observed:

However, while we rule that the Agreement dated November 10, 1983 is a binding contract between Looc Bay Timber Industries Inc. and Victor Montecalvo, we cannot pronounce similarly with respect to the Agreement dated November 28, 1984. First, the said Agreement was signed only by Victor Montecalvo and not by Visayan Forest and Development Corporation, represented by Valeriano C. Bueno. While a contract may be entered in any form, the fact that only the vendor signed the second agreement is a clear indication that the vendee, Valeriano Bueno, had no definite intention to enter into it. An essential requisite of a valid contract is

the consent of the contracting parties. Consent may be construed to be present if the vendee also signed this second agreement. In the absence of Valeriano Bueno's signature, we cannot give validity to the second agreement. Second, the cash vouchers allegedly representing payment of the land described in the second agreement are not specific as to indicate that the same covers the second parcel of land. Third, we also perused the testimony of Valeriano Bueno and he categorically stated that the cash vouchers represented payments for a part of the land, viz:

Q:

Mr. Witness, there appears a signature at the bottom of all these receipts, whose signature is this?

A:

That of the late Victor Montecalvo?

Q:

Please examine these receipts one by one and please tell the Honorable Court if these are the receipts that you are referring to?

A:

All these receipts were done by Victor Montecalvo himself. So, all these payments were received by Victor Montecalvo until we finally have paid part of the land.[10] (*Italics in the original; emphasis and underscoring supplied*)

Petitioner cites the settled doctrine that great weight and respect are accorded, sometimes even with finality, to findings of facts of trial courts.[11] It concedes, however, that that doctrine holds true unless it is clearly shown that the trial court overlooked or disregarded certain facts and circumstances of critical significance.[12]

In the present case, the Court finds that the trial court overlooked the fact that the November 28, 1984 Agreement was not signed by Valeriano Bueno, the representative of petitioner's sister company-prospective vendee. Absent such signature, petitioner and/or its sister company could not have accepted the offer made by Montecalvo, Sr. to sell those "certain portions adjoining the logging road of [petitioner] or the entirety of the said land." The agreement was thus not perfected and therefore created or transmitted no rights.

That leaves it unnecessary to pass on an Affidavit of Quitclaim executed by Montecalvo, Sr. dated September 16, 1990 which petitioner alleges covers the land subject of the November 28, 1984 Agreement. Suffice it to state that the quitclaim does not specifically refer to the land subject of the said agreement.

That leaves it unnecessary too to pass on petitioner's claim that substantial payments were made for those portions of the land subject of the same November 28, 1984 Agreement. Suffice it to state that the receipts of payment presented do not specify for what particular land were the same made.

WHEREFORE, the petition is DENIED.

Costs against petitioner.

SO ORDERED.

Quisumbing, (Chairperson), Tinga, Velasco, Jr., and Brion, JJ., concur.

[1] Exhibit "A"-Rebuttal.

[2] Exhibit "D"-Rebuttal.

[3] Exhibit "F"-Rebuttal.

[4] Records, pp. 23-26.

[5] Id. at 236-245.

[6] Id. at 245.

[7]CA rollo, pp. 129-139. Penned by Court of Appeals Associate Justice Pampio A. Abarintos, with the concurrence of Associate Justices Enrico A. Lanzas and Apolinario D. Bruselas, Jr.

[8] Id. at 138-139.

[9] Rollo, p. 16.

[10]CA rollo, pp. 137-138.

[11]Rollo, pp. 20-21.

[12] Id. at 21; Well-entrenched is the legal precept that findings of facts of the trial court, its calibration of the testimonies of witnesses, its assessment of the credibility of the said witnesses and its evidence based on the said findings are given high respect if not conclusive effect by the appellate court, unless the trial court overlooked, misconstrued or misinterpreted facts and circumstances of substance which if considered will alter the outcome of the case. (People v. Fajardo, Jr., G.R. No. 173022. January 23, 2007, 512 SCRA 360, 374 citing People v. Ocampo, G.R. No. 171731, August 11, 2006, 498 SCRA 581, 587; People v. Candaza, G.R. No. 170474, June 16, 2006, 491 SCRA 280, 297, citing People v. Gonzales, Jr., 424 Phil. 336, 352-353 (2002); Llave v. People, G.R. No. 166040, April 26, 2006, 488 SCRA 376, 400).

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