

**MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY,
PETITIONER, VS. RICHARD E. UNCHUAN, RESPONDENT.***G.R. No. 182537. June 01, 2016*

Ponente: MENDOZA, J.

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This petition for review on certiorari[1] under Rule 45 of the 1997 Rules of Civil Procedure filed by petitioner Mactan-Cebu International Airport Authority (MCIAA), represented by the Office of the Solicitor General (OSG), assails the November 29, 2007 Decision[2] and the March 25, 2008 Resolution[3] of the Court of Appeals (CA), in CA-G.R. CV No. 01306, which affirmed the March 3, 2006 Decision[4] of the Regional Trial Court, Lapu-Lapu City, Branch 27 (RTC), in Civil Case No. 6120-L, an action for declaration of nullity of deed of absolute sale, quieting of title and/or payment of just compensation, rental, damages, and attorney's fees.

The Antecedents

On March 5, 2004, respondent Richard Unchuan (Unchuan) filed a complaint for Partial Declaration of Nullity of the Deed of Absolute Sale with Plea for Partition, Damages and Attorney's Fees before the RTC against MCIAA.[5] Unchuan later filed an Amended Complaint for Declaration of Nullity of Deed of Absolute Sale, Quieting of Title and/or Payment of Just Compensation, Rental and Damages and Attorney's Fees.[6]

In his complaint, Unchuan alleged, among others, that he was the legal and rightful owner of Lot No. 4810-A, with an area of 177,176 square meters, and Lot No. 4810-B, with an area of 2,740 square meters, both located in Barrio Buaya, Lapu-Lapu City, and covered by Original Certificate of Title (OCT) No. R0-1173;[7] that the title was registered under the names of the heirs of Eugenio Godinez, specifically, Teodora Tampus, Fernanda Godinez (the wife of Iscolastico Epe), Tomasa Godinez (the wife of Mateo Ibañez), Sotera Godinez (the wife of Guillermo Pino), Atanasio Godinez[8] (married to Florencia Pino), Juana Godinez (the wife of Catalino Cuison), and Ambrosio Godinez (married to Mamerta Inot); and that he bought the two lots from the surviving heirs of the registered owners through several deeds of absolute sale, all dated December 7, 1998.[9]

For reference, the table below summarizes the sale transactions between Unchuan and the aforesaid surviving heirs of the original registered owners:

DEEDS OF SALE EXECUTED BY THE HEIRS (Through Representation)**AREA**
(sq.m.)

Sps. Atanasio Godinez & Florencia Pino & Teodora Tampus[10]

29,986

Sps. Ambrosio Godinez & Mamerta Inot[11]

5,997.20

Sps. Fernanda Epe & Iscolastico Epe & Teodora Tampus[12]

29,986

Sps. Ambrosio Godinez & Mamerta Inot[13]

5,997.20

Sps. Sotera Godinez & Guillermo Pino & Teodora Tampus[14]

29,986

Sps. Tomasa Godinez & Mateo Ybanez & Teodora Tampus[15]

29,986

Sps. Juana Godinez & Catalino Quizon & Teodora Tampus[16]

29,986

Sps. Ambrosio Godinez & Mamerta Inot[17]

5,997.20

Sps. Ambrosio Godinez & Mamerta Inot[18]

5,997.20

Unchuan further alleged that he came to know that Atanacio Godinez (Atanacio), the supposed attorney-in-fact of all the registered owners and their heirs, already sold both lots to Civil Aeronautics Administration (CAA),[19] the predecessor of MCIAA; that the sale covered by the Deed of Absolute Sale,[20] dated April 3, 1958, was null and void because the registered owners and their heirs did not authorize Atanacio to sell their undivided shares in the subject lots in favor of CAA; that no actual consideration was paid to the said registered owners or their heirs, despite promises that they would be paid; that the deed of absolute sale did not bear the signature of the CAA representative; that there was no proof that the Secretary of the Department of Public Works and Highways approved the sale; and that his predecessors-in-interest merely tolerated the possession by CAA and, later, by MCIAA.[21]

In its Motion to Dismiss, dated April 27, 2004,[22] MCIAA moved for the dismissal of the said complaint citing prescription, laches and estoppel as its grounds. The RTC, however, denied the motion.[23] MCIAA later filed its Very Urgent Motion for Compulsory Joinder of Indispensable Parties,[24] but the RTC issued a denial in the Order,[25] dated November 5, 2004, and required MCIAA to file an Answer. Again, MCIAA moved for reconsideration,[26] but the RTC still denied it in the Order,[27] dated January 5, 2005.

In its Answer,[28] MCIAA averred that on April 3, 1958, Atanacio, acting as the representative of the heirs of Eugenio Godinez, who were the registered owners, sold Lot No. 4810-A and Lot No. 4810-B to the Republic of the Philippines, represented by CAA. Thereafter, CAA took possession of the said property upon payment of the purchase price. To corroborate the said transaction, on September 17, 1969, Atanacio, along with other former registered co-owners, signed a deed of partition attesting to the fact of sale of the two lots in favor of the government and admitted its absolute right over the same. Since then, the said lots had been in the possession of the Republic in the concept of an owner. The said real properties were declared by the Republic for taxation purposes under Tax Declaration No. 00078 and Tax Declaration No. 00092. In fact, by virtue of Republic Act (R.A.) No. 6958, otherwise known as "The Charter of Mactan-Cebu International Airport Authority," the Republic officially turned over the management of the said lots to MCIAA.

On March 3, 2006, the RTC rendered judgment in favor of Unchuan. The decretal portion of the decision reads:

WHEREFORE, the above as premises, this court hereby renders judgment in favor of Plaintiff Unchuan and against Defendant MCIAA and declares:

- a. The Deed of Sale signed by Atanacio Godinez alienating the lands denominated as Lot Nos. 4810-A and 4810-B in favor of Defendant's predecessor-in-interest as VOID;
- b. Plaintiff as the true and legal owner of Lot Nos. 4810-A and 4810-B consisting of ONE HUNDRED SEVENTY NINE THOUSAND NINE HUNDRED SIXTEEN (179,916) SQUARE METERS because the Deed of Sale between Plaintiffs predecessor-in-interest is void;
- c. The Register of Deeds of Lapu-Lapu City to annotate in OCT No. RO-1173 up to the extent of the right of Plaintiff in the said land and to subsequently issue a title in his name up to such extent;
- d. Defendant is directed to vacate from Lot Nos. 4810-A and 4810-B;
- e. Defendant to pay the sum of TWENTY PESOS (Php20.00) per square meter per month as rental reckoned from the time of the filing of the complaint until Defendant shall vacate the same.

No pronouncement as to the cost of this suit.

SO ORDERED.[29]

The RTC held that Atanacio was not legally authorized to act as the attorney-in-fact of his brothers and sisters and to transact on their behalf because he was not clothed with a special power of attorney granting him authority to sell the disputed lots. "This lack of authority of Atanacio Godinez, therefore, has an effect of making the contract of sale between the parties' predecessors-in-interest as void except perhaps for the share of Atanacio Godinez which he could very well alienate." Moreover, the documentation of the sale was never transmitted to CAA's Manila Office; hence, the heirs did not receive any payment for the sale transaction.[30]

The RTC also noted that the deed of absolute sale presented to the trial court did not bear the signature of the then CAA Administrator which would have shown that the vendee consented to the sale. Thus, the RTC concluded that (1) there was no valid consideration for the alleged conveyance; (2) Atanacio lacked the authority to alienate the undivided shares of his co-heirs to CAA, MCIAA's predecessor-in-interest; and (3) the lack of signature of the CAA Administrator was indicative of the lack of consent from him to purchase the lots.[31]

Aggrieved, MCIAA appealed the said decision to the CA.

On November 29, 2007, the CA affirmed the RTC decision. The CA explained that Atanacio had no authority to act as an agent for the other registered owners and their heirs absent the special power of attorney specifically executed for such purpose as required in Article 1874 of the New Civil Code. Also, no evidence was adduced to show that the purchase price for the said lots was paid. For being a void contract, the heirs' deed of partition acknowledging the purported sale in favor of CAA was found by the CA to have produced no legal effects and not susceptible of ratification. It was of the view that prescription, estoppel or laches did not set in because a void contract could be questioned anytime and an action or defense for the declaration of its inexistence or absolute nullity was imprescriptible. It also noted that the deed of absolute sale was not signed by the then CAA authorized representative.[32]

MCIAA filed its Motion for Reconsideration,[33] dated December 18, 2007, and subsequently, its Supplemental Motion for Reconsideration,[34] dated January 30, 2008. Later, MCIAA filed its Motion for New Trial,[35] dated March 6, 2008, in which it incorporated three newly discovered evidence: a) certified true copy of the Deed of Absolute Sale executed between Atanacio Godinez and the Republic, represented by CAA, with the signature of

then Administrator Urbano B. Caldoza (Caldoza) showing that the vendee consented to the sale;[36] b) certified true copy of the Joint Affidavit of Confirmation of Sale of Alloted Shares Already Adjudicated and Quitclaim of a Portion of Lot No. 4810, dated July 21, 1969, executed by the other heirs who did not sign the Deed of Partition acknowledging the sale; and c) certified true copy of the Provincial Voucher with attachments showing that there was payment of the purchase price. MCIAA claimed that the said documents would prove that there was consent between the contracting parties and that the consideration was paid.

In its March 25, 2008 Resolution,[37] the CA denied MCIAA's Motion for Reconsideration. Before MCIAA received its copy of the March 25, 2008 CA Resolution, it filed a Supplemental Motion for Reconsideration adopting the said newly discovered evidence. The CA Resolution partly reads:

After a very careful read-through of the motion for reconsideration, we find no new or substantial arguments which have not been presented in defendant-appellant's prior pleadings and which have not been taken up or considered in our Decision, save for the allegation that the proper remedy should have been a petition for just compensation.

Otherwise, no further ratiocination is needed to show there was a valid sale between the registered owners of the subject lots and the Civil Aeronautics Administration (CAA), the predecessor-in-interest of defendant-appellant MCIAA. There was absolutely no competent evidence to prove that all of the registered owners of the subject properties gave their consent to the sale through their attorney-in-fact or that the CAA through its authorized representative gave his approval to the sale or that there was consideration. In addition, we see no reason to discuss again our finding that prescription, laches, or estoppel is unavailing against the registered owners and equally unavailing against the latter's successor's, including herein plaintiff-appellee, they having stepped into the shoes of the decedents-registered owners by operation of law.

Allow us, however, to re-visit the defendant-appellant's claim that extrinsic fraud prevented it from having a fair trial and completely presenting its case before the trial court, clearly adverting to the omission of Atty. Sigfredo V. Dublin to timely apprise the OSG of the adverse claim (in favor of defendant-appellant) that was annotated in the Original Certificate of Title No. RO-1173 on October 9, 1998.

In our decision, we stressed that even if there was a belated annotation of the adverse claim in OCT No. RO-1173, said annotation is of no force and effect since the same was predicated on a void and inexistent contract. For like "the spring that cannot rise above its source," a void contract cannot create a valid and legally enforceable right.

Anent the allegation of extrinsic fraud, we are not at all persuaded there was one. "Extrinsic or collateral fraud, as distinguished from intrinsic fraud, connotes any fraudulent scheme executed by a prevailing litigant outside the trial of a case against the defeated party, or his agent, attorneys or witnesses, whereby said defeated party, is prevented from presenting fully and fairly his side of the case." ... In other words, extrinsic fraud is one that affects and goes into the jurisdiction of the Court" or that the defendant-appellant was deprived of due process of law owing to the gross negligence of its counsel. Both do not, however, obtain under the circumstances prevailing in the instant case.

Firstly, defendant-appellant has not shown any clear and convincing evidence that the plaintiff-appellee employed actual and extrinsic fraud in procuring a favorable decision from the trial court. Sadly, it failed to show that it was prevented by the plaintiff -appellee from asserting its right over the subject properties and properly presenting its case by reason of such alleged fraud; neither was any evidence proffered to substantiate such allegation.

And secondly, it bears to stress that the failure of Arty. Sigfredo V. Dublin to fully apprise the OSG of the annotation of the defendant-appellant's adverse claim is not tantamount to gross negligence of counsel. With due and reasonable diligence, the said annotation could have been timely presented by the OSG during the

presentation of evidence. It bears to stress that the office which has custody of OCT No. RO-1173 (where the adverse claim is annotated) is another government agency, The Registry of Deeds, which the OSG can easily have access to.

As we have held in our decision, the defendant-appellant's heavy reliance on the Deed of Partition which contained the phrase: "Lot No. 4810-A, with an area of ONE HUNDRED SEVENTY-SEVEN THOUSAND ONE HUNDRED SEVENTY SIX (177,176) square meters and Lot 4810-B, with [an] area of TWO THOUSAND SEVEN HUNDRED FORTY (2,740) square meters, ARE OWNED by the Civil Aeronautics Administration having bought the same from the original owners; (Emphasis supplied) "to support its assertion that the Civil Aeronautics Administration (predecessor-in-interest of MCIAA) had indeed validly purchased the lots from the registered owners through their purported attorney-in-fact, Atanacio Godinez, is misplaced. This Court had already found and ruled that:

"... At most, the above-quoted statement is a mistaken conclusion that the CAA validly purchased the subject lots. The above-quoted statement does not change the fact that the Deed of Sale in favor of CAA was void and inexistent. Neither can the same be considered as a cure for the defect of lack of consent or authority."

"Lack of consent and consideration made the deeds of sale void altogether and rendered them subject to attack at any time, conformably to the rule in Article 1410 that an action to declare the existence of void contracts does not prescribe." We would like to add that there is even "no need of an action to set aside a void and inexistent contract; in fact, such action cannot logically exist. However, an action to declare the non-existence of the contract can be maintained; and in the same action, the plaintiff may recover what he has given by virtue of the contract." [38]

Undaunted, MCIAA filed this present action, praying for the reversal of the assailed CA ruling and for a new judgment dismissing the complaint against MCIAA or, in the alternative, to remand the case to the CA to thresh out all unresolved factual issues concerning the case. To bolster the reliefs prayed for, MCIAA offers the following

GROUND RELIED UPON IN SUPPORT OF THE PETITION

I

THE COURT OF APPEALS COMMITTED A SERIOUS ERROR IN LAW WHEN IT AFFIRMED THE MARCH 3, 2006 DECISION OF THE TRIAL COURT DESPITE THE FACT THAT:

A

THE TRIAL COURT GRAVELY ERRED IN DECLARING THAT ATANACIO GODINEZ WAS NOT AUTHORIZED TO CONVEY LOT NOS. 4810-A AND 4810-B TO CAA.

B

THE TRIAL COURT GRAVELY ERRED IN FINDING THAT RESPONDENTS' PREDECESSORS-IN-INTEREST WERE NOT PAID THE CONSIDERATION FOR THE SALE OF THE SUBJECT LOTS.

C

THE TRIAL COURT GRAVELY ERRED IN DECLARING AS VOID AND INVALID THE DEED OF ABSOLUTE SALE EXECUTED BY ATANACIO GODINEZ IN FAVOR OF THE CAA.

D

THE TRIAL COURT GRAVELY ERRED IN HOLDING THAT RESPONDENT'S PREDECESSORS-IN-INTEREST ARE NOT INDISPENSABLE PARTIES TO THE INSTANT CASE.

E

THE TRIAL COURT GRAVELY ERRED IN DECLARING THAT RESPONDENT'S CAUSE OF ACTION IS NOT BARRED BY PRESCRIPTION, LACHES AND ESTOPPEL.

II

THE COURT OF APPEALS COMMITTED A SERIOUS ERROR IN LAW BY NOT ADMITTING THE ADDITIONAL EVIDENCE SOUGHT TO BE INTRODUCED BY PETITIONER.[39]

The OSG argues that "the mere absence of a special power of attorney in favor of Atanacio Godinez does not necessarily mean that he was not authorized by his co-owners who even authorized and represented to CAA that Atanacio Godinez was their attorney-in-fact." [40] "Even granting for the sake of argument that Atanacio Godinez was not in fact authorized by the other registered co-owners to execute a deed conveying Lot Nos. 4810-A and 4810-B to CAA, such defect has nevertheless been cured when his co-owners subsequently executed on September 17, 1969 a public document denominated as Deed of Partition." [41] As to the nonpayment of consideration, the OSG contends that such allegation cannot be established by mere testimonial evidence and that it must be proved by clear, positive and convincing evidence. [42] Moreover, "not only are private transactions presumed to be fair and regular and that the ordinary course of business presumed to have been followed but, also, government employees are presumed to have regularly performed their official duties. In this case, Unchuan has not overcome the foregoing legal presumptions." [43]

The OSG further avers that "the absence of the signature of Administrator Caldoza on the challenged Deed of Absolute Sale should, at best, be treated as a mere formal defect which should not affect the very substance of the contract" [44] bearing in mind that "a contract of sale is a consensual contract." [45] The OSG likewise posits that "assuming arguendo that petitioner does not possess any title or right whatsoever over the above parcels of land, its possession is justified by extraordinary prescription." [46] It also claims that laches had set in against the original registered owners for their failure to question the validity of the sale for over forty six (46) years after the sale transaction between CAA and Atanacio in 1958. [47] Thus, "the laches of the original registered owners extend to Unchuan since he stands in privity with his predecessors-in-interest." [48]

The OSG insists that extrinsic fraud was committed against it as Atty. Sigfredo Dublin (Atty. Dublin), the legal manager of CAA, withheld from their office, while the trial was ongoing, the information that on October 9, 1998, he had caused the annotation of an adverse claim on OCT No. RO-1173. The OSG asserts that it was significant because the deed of absolute sale between Unchuan and the alleged heirs of the registered owners was executed only on December 7, 1998. Also suppressed from the OSG, as it claims, were the following:

- Deed of Absolute Sale executed between Atanacio Godinez and the CAA bearing the signature of Urbano B. Caldoza, then CAA Administrator;
- Joint Affidavit of Confirmation of Sale of Allotted Shares Already Adjudicated and Quitclaim of a Portion of Lot No. 4810, Open Cadastre, executed by the heirs of Juana Godinez.
- Extra-Judicial Declaration of Partition and Adjudication executed by Tomasa Godinez, Atanacio Godinez, Mamerta Inot (for Ambrosio Godinez), Pedro Pino (for Sotera Godinez) and Corazon Epe (for Fernanda Godinez).
- Provincial Voucher, dated October 3, 1958 (and its attachments) evidencing payment of the consideration for the sale of Lot Nos. 4810-A and 4810-B.

The OSG argues that these documents are very important and material to petitioner's defense and should be admitted to prevent a miscarriage of justice.

The Court's Ruling

The RTC decision, as affirmed by the CA, needs to be modified.

The Court finds that the sale transaction executed between Atanacio, acting as an agent of his fellow registered owners, and the CAA was indeed void insofar as the other registered owners were concerned. They were represented without a written authority from them clearly in violation of the requirement under Articles 1874 and 1878 of the Civil Code, which provide:

Art. 1874. When a sale of a piece of land or any interest therein is through an agent, the authority of the latter shall be in writing; otherwise, the sale shall be void.

Art. 1878. Special powers of attorney are necessary in the following cases:

x x x

(5) To enter into any contract by which the ownership of an immovable is transmitted or acquired either gratuitously or for a valuable consideration;

x x x

The significance of requiring the authority of an agent to be put into writing was amplified in *Dizon v. Court of Appeals*:^[49]

When the sale of a piece of land or any interest thereon is through an agent, the authority of the latter shall be in writing; otherwise, the sale shall be void. Thus the authority of an agent to execute a contract for the sale of real estate must be conferred in writing and must give him specific authority, either to conduct the general business of the principal or to execute a binding contract containing terms and conditions which are in the contract he did execute. A special power of attorney is necessary to enter into any contract by which the ownership of an immovable is transmitted or acquired either gratuitously or for a valuable consideration. The express mandate required by law to enable an appointee of an agency (couched) in general terms to sell must be one that expressly mentions a sale or that includes a sale as a necessary ingredient of the act mentioned. For the principal to confer the right upon an agent to sell real estate, a power of attorney must so express the powers of the agent in clear and unmistakable language. When there is any reasonable doubt that the language so used conveys such power, no such construction shall be given the document.

Without a special power of attorney specifying his authority to dispose of an immovable, Atanacio could not be legally considered as the representative of the other registered co-owners of the properties in question. Atanacio's act of conveying Lot No. 4810-A and Lot No. 4810-B cannot be a valid source of obligation to bind all the other registered co-owners and their heirs because he was not clothed with any authority to enter into a contract with CAA. The other heirs could not have given their consent as required under Article 1475^[50] of the New Civil Code because there was no meeting of the minds among the other registered co-owners who gave no written authority to Atanacio to transact on their behalf. Therefore, no contract was perfected insofar as the portions or shares of the other registered co-owners or their heirs were concerned.

Thus, the Court cannot give any weight either to the Deed of Partition of Lot No. 4810, Open Cadastre^[51] (subsequently executed by all the heirs of Ambrosio and Sotera Godinez to the effect that they had acknowledged^[52] the sale of the subject lots in favor of CAA) or to other documents (such as Joint Affidavit of Confirmation of Sale of Allotted Shares Already Adjudicated and Quitclaim of a Portion of Lot No. 4810, Open Cadastre)^[53] all of which gave the impression that they had ratified^[54] the sale of the subject lots in favor of CAA, MCIAA's predecessor-in-interest.

The rule is that a void contract produces no effect either against or in favor of anyone and cannot be ratified.^[55]

Similarly, laches will not set in against a void transaction, as in this case, where the agent did not have a special power of attorney to dispose of the lots co-owned by the other registered owners. In fact, Article 1410 of the Civil Code specifically provides that an action to declare the inexistence of a void contract does not prescribe.

The transaction entered into by Atanacio and CAA, however, was not entirely void because the lack of consent by the other co-owners in the sale was with respect to their shares only. Article 493 of the New Civil Code expressly provides:

Art. 493. Each co-owner shall have the full ownership of his part and the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership.

The quoted provision recognizes the absolute right of a co-owner to freely dispose of his pro indiviso share as well as the fruits and other benefits arising from that share, independently of the other co-owners. The sale of the subject lots affects only the seller's share pro indiviso, and the transferee gets only what corresponds to his grantor's share in the partition of the property owned in common. Since a co-owner is entitled to sell his undivided share, a sale of the entire property by one co-owner without the consent of the other co-owners is not null and void; only the rights of the co-owner/seller are transferred, thereby making the buyer a co-owner of the property.[56]

In the case at bench, although the sale transaction insofar as the other heirs of the registered owners was void, the sale insofar as the extent of Atanacio's interest is concerned, remains valid. Atanacio was one of the registered co-owners of the subject lots, but he was not clothed with authority to transact for the other co-owners. By signing the deed of sale with the CAA, Atanacio effectively sold his undivided share in the lots in question. Thus, CAA became a co-owner of the undivided subject lots. Accordingly, Atanacio's heirs could no longer alienate anything in favor of Unchuan because he already conveyed his pro indiviso share to CAA.

The Court does not accept either Unchuan's allegation that no payment was received for the transaction between Atanacio and CAA. Section 3, Rule 131 of the Rules of Court identifies the following as disputable presumptions: (1) private transactions have been fair and regular; (2) the ordinary course of business has been followed; and (3) there was sufficient consideration for a contract. A presumption may operate against a challenger who has not presented any proof to rebut it. "The effect of a legal presumption upon a burden of proof is to create the necessity of presenting evidence to meet the legal presumption or the prima facie case created thereby, and which, if no proof to the contrary is presented and offered, will prevail. The burden of proof remains where it is, but by the presumption, the one who has that burden is relieved for the time being from introducing evidence in support of the averment, because the presumption stands in the place of evidence unless rebutted." [57] Atanacio, by affixing his signature on the deed of absolute sale, a disputable presumption arose that consideration was paid. A mere allegation that no payment was received is not sufficient to dispel such legal presumption. Furthermore, the record shows an official communication, dated October 8, 1958, from the District Land Office of Cebu to the Provincial Treasurer of Cebu stating that Provincial Voucher No. 05358 was disbursed in favor of Atanacio.[58]

Consequently, the Court deems it just and fair to modify the disposition of the subject lots to Unchuan. Unchuan is not entitled to the whole 179,916 square meters of the property, as originally awarded by the RTC and affirmed by the CA. Atanacio's share should be excluded from the computation as his heirs were already precluded from further conveying what he, their predecessor-in-interest, had previously sold to CAA. Thus, Unchuan is only legally entitled to an unidentified 149,930 square meters of the property after excluding Atanacio's unidentified share of 29,986 square meters.

The Court notes that the lots in question were formerly undeveloped lands, but now form part of the Mactan-Cebu International Airport. It is, thus, being used for a public purpose. It being the situation, the government or the MCIAA should initiate expropriation proceedings so that the registered owners or successors-in-interest would be compensated for their undivided shares in the lots taken from them. In the meantime, MCIAA should pay rentals thereon, after these shall have been identified and segregated, at the rate of P20.00 per square meter to be reckoned from the filing of the complaint.

WHEREFORE, the petition is PARTIALLY GRANTED. The November 29, 2007 Decision and the March 25, 2008 Resolution of the Court of Appeals (CA) in CA-G.R. CV No. 01306 are AFFIRMED with MODIFICATION. Accordingly, the dispositive portion of the decision should read as follows:

WHEREFORE, judgment is hereby rendered declaring that:

- The Deed of Sale signed by Atanacio Godinez alienating the lands denominated as Lot No. 4810-A and Lot No. 4810-B in favor of MCIAA's predecessor-in-interest is VALID, insofar as his undivided share in the said lots is concerned, but VOID, insofar as the undivided shares of the other registered owners, who did not sign the deed, are concerned; and

- Plaintiff Richard E. Unchuan is the true and legal owner of portions of Lot No. 4810-A and Lot No. 4810-B consisting of One Hundred Forty Nine Thousand Nine Hundred Thirty (149,930) Square Meters.

The Register of Deeds of Lapu-Lapu City is hereby ordered to annotate in OCT No. RO-1173 the respective rights of Richard E. Unchuan and the Mactan-Cebu International Airport Authority in the said property.

The Mactan-Cebu International Airport Authority is ordered to initiate expropriation proceedings over the undivided portions of Lots No. 4810-A and 4810-B covering the said 149,930 Square Meters.

In the meantime, Mactan-Cebu International Airport Authority is ordered to pay the sum of P20.00 per square meter per month as rental for the use of the property reckoned from the time of the filing of the complaint until its final payment for the same.

No pronouncement as to the cost of the suit.

SO ORDERED.

Carpio, (Chairperson), Del Castillo, and Leonen, JJ., concur.
Brion, J., on official leave.

[1] Rollo pp. 114-186.

[2] Id. at 194-215. Penned by Associate Justice Francisco P. Acosta with Associate Pampio A. Abarintos and Associate Justice Priscilla Baltazar-Padilla, concurring.

[3] Id. at 217-221.

[4] Id. at 290-317. Penned by Acting Presiding Judge Geraldine Faith A. Econg.

[5] Records, Volume I, pp. 1-9.

[6] Id. at 103-112.

[7] CA rollo, pp. 114-115.

- [8] Also referred to as Atanacio Godinez.
- [9] Records, Volume 1, pp. 12-56.
- [10] Records, Volume I, Annex "B," pp. 115-121.
- [11] Records, Volume I, Annex "B-1," pp.122-123.
- [12] Records, Volume I, Annex "B-2," pp. 124-129.
- [13] Records, Volume I, Annex "B-3," pp. 130-132.
- [14] Records, Volume I, Annex "B-4" and Annex "B-5," pp. 133-138.
- [15] Records, Volume I, Annex "B-6," Annex "B-7," Annex "B-8" and Annex "B-10," pp. 139-144; 152-154.
- [16] Records, Volume I, Annex "B-9" pp. 145-150.
- [17] Records, Volume I, Annex "B-11," pp. 155-157.
- [18] Records, Volume I, Annex "B-12," pp. 158-159.
- [19] The CAA became Bureau of Air Transportation, which later renamed Air Transportation Office.
- [20] Rollo, pp. 501-504.
- [21] Id. at 754.
- [22] Id. at 241-250.
- [23] Id. at 251.
- [24] Id. at 252-255.
- [25] Id. at 256-257.
- [26] Id. at 258-275.
- [27] Id. at 276.
- [28] Id. at 277-288.
- [29] Id. at 316-317.
- [30] Id. at 304-308.
- [31] Id. at 313-314.
- [32] Id. at 201-212.
- [33] Id. at 399-426.
- [34] Id. at 427-448.
- [35] Id. at 450-464.
- [36] Id. at 470-473.
- [37] Id. at 217-221.
- [38] Id. at 217-220.

[39] Id. at 122-123.

[40] Id. at 685.

[41] Id. at 686.

[42] Id. at 691.

[43] Id. at 691-692.

[44] Id. at 696.

[45] Id. at 695.

[46] Id. at 703.

[47] Id. at 703-704.

[48] Id. at 705.

[49] 444 Phil. 161, 165-166 (2003), citing *Cosmic Lumber Corp. v. Court of Appeals*, 332 Phil. 948, 957-958 (1996).

[50] Art. 1475. The contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price.

From that moment, the parties may reciprocally demand performance, subject to the provisions of the law governing the form of contracts.

[51] Rollo, pp. 506-507.

[52] Lot No. 4810-A with an area of ONE HUNDRED SEVENTY SEVEN THOUSAND ONE HUNDRED SEVENTY SIX (177,176) square meters and Lot No. 4810-B, with [an] area of TWO THOUSAND SEVEN HUNDRED FORTY (2,740) square meters, are owned by the Civil Aeronautics Administration, having bought the same from the original owners.

[53] Rollo, pp. 474-475.

[54] 3. That this affidavit is jointly executed by US, the undersigned affiants, to establish the fact of sale and conveyance of a portion of Lot 4810 by the heirs of JUANA GODINEZ, specifically the area of some 177,173 sq. meters, more or less, of Lot 4810, to the CAA Mactan Airport, Lapulapu City, Philippines; confirming voluntarily said conveyance; quitting forever whatever right, interest and participation we have or we may have over the remaining portion of 55,426 sq. meters, of Lot 4810, by reason of the said sale and conveyance by the, said heirs of JUANA GODINEZ.

[55] *Roberts v. Papio*, 544 Phil. 280, 303 (2007).

[56] *Fernandez v. Fernandez*, 416 Phil. 322, 343 (2001).

[57] *Surtida v. Rural Bank of Malinao (Albay), Inc.*, 540 Phil. 502, 514-515 (2006).

[58] Rollo, p. 505.

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