

AGNES V. GUISON, PETITIONER, V. HEIRS OF LOREÑO TERRY, JOSE U. ALBERTO III, SPOUSES MEDIN M. FRANCISCO AND FRANCIA M. FRANCISCO, FE M. ALBERTO AND ELISA B. SARMIENTO, RESPONDENTS.

G.R. No. 191914. August 09, 2017

Ponente: SERENO, C.J.

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SERENO, C.J.:

This resolves the Petition[1] filed by Agnes V. Guison to assail the Court of Appeals (CA) Decision[2] and Resolution[3] in CA-G.R. CV No. 90319. Reversing the earlier Decision[4] of the Regional Trial Court (RTC), the CA sustained the validity of certain instruments of conveyance in favor of respondent Loreño Terry.[5] These instruments pertained to a 3,000-square-meter parcel of land located in Virac, Catanduanes, and covered by Transfer Certificate of Title No. (TCT) 12244.[6]

FACTUAL ANTECEDENTS

The facts, as culled from the records, are as follows.

On 14 March 1995, a Deed of Absolute Sale[7] was executed in favor of respondent Terry by Angeles Vargas, the father of petitioner. The subject of the sale was a parcel of agricultural land located in Moonwalk, Danicop, Catanduanes, with an area of 1.3894 hectares and identified as Lot No. 10628-pt. In the deed, Vargas acknowledged receipt of the payment for the lot in the amount of P5,557.60.

Between September and December 1995, Terry sold certain parts of the lot to third parties, namely, Jose U. Alberto III (583 square meters),[8] Alona M. Guerrero (400 square meters)[9] and respondent Lino Gianan (200 square meters).[10] Gianan is a respondent in this case.

On 22 January 1996, Vargas and Terry executed an Agreement of Revocation of Sale[11] (Revocation Agreement) relating to the same parcel of land. The instrument stated that Vargas had erroneously sold the entire area of Lot 10628-pt to Terry. The parties, however, averred that their true intention was only to convey a 3,000-square-meter portion of the land to Terry, considering that there was no monetary consideration for the transaction. Consequently, they agreed to revoke the earlier Deed of Absolute Sale to the extent of 1.0894 hectares, while affirming the validity of the conveyance to Terry of a 3,000-square-meter portion, whose actual location would later be determined by both parties in a separate document. The agreement states:

WHEREAS, a Deed of Absolute Sale of Real Property was executed by [Angeles S. Vargas] on March 14, 1995, in Manila, whereby a 1.3894 has. of land in Moonwalk & Danicop, Virac, Catanduanes was erroneously sold to [Loreño Terry];

WHEREAS, the intention of both parties was the transfer of only Three Thousand (3,000) square meters [sic] portion thereof, considering that there was not even any monetary consideration in the sale;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto hereby REVOKE the sale said parties executed on March 14, 1995 to the extent of 1.0894 has. while retaining as valid the transfer to [Loreño Terry] the area of Three Thousand (3,000) square meters.

That the actual location of said 3,000 square meters shall be determined by both parties in a separate document consonant with this agreement but forming part hereof.

Vargas died on 10 June 1998[12] with no agreement executed regarding the actual location of the land conveyed to Terry.

On 3 May 2000, a Partition Agreement[13] was entered into by the Heirs of Angeles Vargas, represented by petitioner, and respondent Terry. The instrument, which was executed for the purpose of physically segregating the 3,000-square-meter portion allotted to Terry, provides:

1. WHEREAS, the late Angeles Vargas left a parcel of land more particularly described as follows:

A parcel of agricultural land situated in Moonwalk, Virac, Catanduanes designated as Lot No. 10628-portion containing an area of 1.3894 hectares, more or less, declared under A.R.P. No. 011-0723 in the name of Angeles S. Vargas and bounded as follows:

North ----- Lot No. 10628-part

East ----- Lot No. 10627; Lot No. 12438 and Lot No. 10649;

South ----- Lot No. 10630

West ----- Lot No. 10628-part

2. WHEREAS, Lorenzo Terry is entitled to a portion of said land with an area of Three Thousand (3,000) Square Meters;

3. WHEREAS, it is the mutual agreement of all parties to partition the said land in order to physically segregate the 3,000 square meter portion belonging to Lorenzo Terry from the bigger remaining portion;

WHEREFORE, the parties do hereby [p]artition the abovesaid property in accordance with the attached Subdivision Plan as follows:

TO LORENIO TERRY:

The Southwestern portion of Lot No. 10628-part with an area of Two Thousand Six Hundred (2,600) Square Meters as indicated in the attached Subdivision Plan;

The Western portion of Lot No. 10628-part with an area of Four Hundred (400) Square Meters as indicated in the attached Subdivision Plan; and

The Three Thousand (3,000) Square Meters portion which is hereby adjudicated to Lorenzo Terry, already INCLUDES the portion which he sold to third persons prior to the execution of the Revocation of Deed of Sale;

TO THE HEIRS OF ANGELES VARGAS:

The entire remaining portion of Lot 10628-part with an area of Ten Thousand Eight Hundred Ninety Four (10,894) Square Meters more or less, as show[n] in the attached Subdivision Plan;

The undersigned parties do hereby respect and recognize each other's rights as absolute owners of the portion respectively adjudicated to them by virtue of this Partition Agreement, and they hereby request the Assessor's

Office to effect the transfer of the A.R.P. to the names of the corresponding party in accordance with this Partition Agreement and the attached Subdivision Plan.

Thereafter, Terry sold other portions of the property to third parties, specifically, Alex Laynes (500 square meters),^[14] Elisa Sarmiento (400 square meters),^[15] Fe Alberto (400 square meters),^[16] Medin Francisco (200 square meters),^[17] Eddie Alcantara (100 square meters),^[18] and Oswaldo de Leon (200 square meters).^[19] All the foregoing transactions left Terry with ownership of only 17 square meters of the lot.^[20]

On 8 May 2000, the heirs of Vargas executed an Extrajudicial Settlement of Estate Among Heirs.^[21] In that instrument, Lot 10628-pt was allotted to petitioner as part of her share of the estate.^[22]

On 16 November 2006, petitioner filed a Complaint^[23] for annulment of contracts, accion publiciana, and damages against Terry and all those who had allegedly purchased portions of Lot 10628-pt from him, i.e. Jose U. Alberto III, Spouses Medin M. Francisco and Francia M. Francisco, Eddie Alcantara, Fe M. Alberto, Elisa B. Sarmiento, Lino S. Gianan, Alex Laynes, Alona Guerrero and Oswaldo de Leon.

The instruments sought to be annulled were the following: (a) the original Deed of Absolute Sale executed by Vargas in favor of Terry; (b) the Agreement of Revocation of Sale signed by Vargas and Terry; (c) the Partition Agreement entered into by petitioner and Terry; and (d) the Deeds of Absolute Sale executed by Terry in favor of third parties.

Petitioner argued that the original Deed of Absolute Sale and the Agreement of Revocation of Sale should be considered void for lack of consideration. She then contended that the nullity of those earlier instruments led to the invalidity of the Partition Agreement, because it was signed in the mistaken belief that Terry had a right to the property.

On 11 January 2007, Terry filed his Answer^[24] before the RTC. Refuting the assertions in the Complaint, he insisted that the 3,000-square-meter lot was conveyed to him by Vargas. Terry explained that the property was in fact originally owned by his grandfather, but incorrectly registered in the name of Fernando Vargas, who was petitioner's predecessor-in-interest. The original Deed of Absolute Sale was purportedly executed to rectify the error in registration and restore the property to its rightful owner. Terry further alleged that he had only signed the Agreement of Revocation of Sale in consideration of his closeness to the Vargas family and in order to avoid litigation. He pointed out that petitioner herself confirmed the validity of the instruments of sale by executing the Partition Agreement after the death of Vargas.

For their part, respondents Laynes, Spouses Francisco, Alcantara, Gianan, De Leon, Sarmiento and Fe Alberto all claimed to be buyers in good faith. In their respective Answers^[25] before the RTC, they insisted that they had merely relied upon the Partition Agreement; in particular, the statements made by petitioner acknowledging Terry's entitlement to the property. These declarations, it was argued, estopped petitioner from now seeking recovery of the portions of the property sold to third persons.

Respondents Guerrero and Jose Alberto III did not file Answers with the RTC. Petitioner later withdrew her Complaint against them.^[26]

RTC RULING

After trial, the RTC rendered a Decision^[27] in favor of petitioner. Citing the absence of certain elements of a sale, the trial court declared that the Deed of Absolute Sale, Revocation Agreement, and Partition Agreement were invalid contracts:

The following belies defendant's claim of ownership over the 3,000 sq. m. lot.

- Vargas and defendant Terry revoked the Deed of [A]bsolute Sale dated March 14, 1995 because of want of monetary consideration and failure of the contract to reflect the true intention of the parties. Thus, there was no sale at all of any portion of Lot No. 10628.

- The Agreement of Revocation of [S]ale merely affirms the intention of the parties to transfer the 3,000 sq. m. lot to defendant Terry as gleaned from the parties['] promise to specify the actual location of the 3,000 sq. m. lot in a separate document and the absence of agreement as to the price of the 3,000 sq. m. lot and the absence of [any] statement that defendant Terry had already paid therefor.

Verily, the allege[d] conveyance of the 3,000 sq. m. lot to defendant Terry under the Agreement of Revocation of Sale was also without valuable consideration.

As it was, defendant Terry capitalized on the Agreement of Revocation of Sale and lured the heirs of Vargas into signing the Partition Agreement dated May 3, 2000. The Court gives credence to the testimony of the plaintiff that she signed the Partition Agreement only because of the promise of defendant Terry that he shall cause the approval of the draft of the subdivision plan that he had shown to plaintiff and that he shall pay the heirs of Vargas the prevailing price for the 3,000 sq. m. lot upon the approval of the subdivision plan (Exh. "D"). But defendant Terry failed to make good his promise to cause the approval of the subdivision plan nor pay for [the] lot. Indeed, defendant Terry miserably failed to present any receipt or proof of payment for the said 3,000 sq. m. lot nor produce the approved subdivision plan as stipulated in the Partition Agreement.[28]

With respect to the other respondents, the RTC declared that they were not purchasers in good faith, as they had failed to exercise the required diligence before buying the property:

Facts and circumstances surrounding this case debunk the presumption of good faith on the part of defendants. To elucidate, it was clear to them that, at the time of sale, defendant Terry [had] no certificate of title to prove ownership over the lot being sold, instead, they merely relied on several documents which they did not verify and [the] genuineness of which were doubtful at the beginning. The lots sold by defendant Terry to his co-respondents are part of the lot registered in the name of Angeles Vargas under TCT No. 8193 and later in the name of the plaintiff under TCT No. 1224. The herein buyers of defendant Terry simply failed to exercise the diligence of investigating the ownership of the vendor.

Thus on the issue on whether Terry's co-defendants are buyers in good faith, the Court rules in the negative.[29]

Based on the above findings, the RTC ordered respondents to vacate the land and surrender possession to petitioner within 15 days from notice of the Decision. Respondents were likewise held solidarily liable to petitioner for (a) P50,000 as attorney's fees and (b) P5,000 per appearance of counsel before the trial court.

Respondents Alcantara, De Leon, Gianan and Spouses Francisco sought reconsideration[30] of the Decision, but their motion was denied.[31] They no longer appealed the Order denying their Motion for Reconsideration.

Meanwhile, respondents Terry, Alberto, and Sarmiento opted to file a Notice of Appeal[32] instead of a motion for reconsideration. The RTC gave due course to the appeal and ordered the elevation of the records of the case to the CA.[33]

THE CA RULING

In its Decision[34] dated 19 March 2009, the CA reversed the ruling of the RTC. While recognizing the nullity of the Deed of Absolute Sale given the parties' admission that there was no consideration for the transaction, the appellate court found no reason to invalidate the Revocation Agreement. It ruled that this independent document proved the true intent of the parties to transfer 3,000 square meters of the disputed property to Terry, even without consideration. The CA also declared that the claims of petitioner were barred by laches, considering that she had

allowed more than six years to elapse before asserting her rights against respondents.

The appellate court further noted that petitioner was estopped from refuting the validity of the instruments, because she was equally to blame for the predicament of those who had purchased the property from Terry. In particular, the CA referred to the representations made by petitioner in the Partition Agreement, as well as her contemporaneous and subsequent acts, as sufficient bases for respondents to believe that the property had been validly sold to Terry.

Petitioner sought reconsideration of the Decision, but her motion was denied by CA.[35] She then elevated the matter to this Court via the instant Petition for Review.

PROCEEDINGS BEFORE THIS COURT

In her Petition filed before this Court, petitioner persists in her claim that the Revocation Agreement and the Partition Agreement are invalid. She maintains that Vargas and Terry never gave effect to the Revocation Agreement, since they never executed the document needed for the segregation of the portion allegedly conveyed to Terry. As to the Partition Agreement, she insists that the instrument was not supported by any consideration.

Petitioner also asserts that her claim was not barred by either estoppel or laches. In her view, the six-year delay incurred in asserting the claim was not sufficient to constitute laches. She also claims that estoppel cannot be applied in favor of respondents, because they have likewise been negligent.

In their Comment,[36] respondents reiterate that petitioner was estopped from asserting her claim over the land, given her statements in the Partition Agreement. They further emphasize their status as buyers in good faith, citing their awareness of all the transactions involving the property. Finally, they allege that Terry paid Vargas the amounts of P5,557.60 and P3,000 as consideration for the lot.

On 7 July 2012, Terry died[37] and his heirs were substituted as respondents in this case.

In her Reply,[38] petitioner insists that no consideration was ever paid for the transactions. She points out that the assertion that payment was made was a mere afterthought, as Terry never alleged payment as a defense when he filed his Answer. He also allegedly failed to submit proof of his assertion.

ISSUES

The following issues are presented to this Court for resolution:

1. Whether or not the CA erred when it refused to annul the Revocation Agreement and the Partition Agreement subject of this case;
2. Whether or not the CA erred when it ruled that petitioner's claims were barred by estoppel and laches.

OUR RULING

The Petition for Review is **PARTLY GRANTED**.

After a judicious consideration of the merits of the case, we reverse the ruling of the CA insofar as it upheld Terry's right to the property. We find sufficient basis to declare the Revocation Agreement and the Partition Agreement null and void because of the absence of the required meeting of the minds regarding the consideration for the sale. Consequently, we are compelled to conclude that the property was never validly conveyed to Terry.

Nevertheless, we agree with the conclusion of the CA that petitioner is estopped from questioning the title of

those who purchased the lot from Terry and relied upon petitioner's representations in the Partition Agreement.

The CA committed a grave error when it upheld the validity of the Revocation Agreement and the Partition Agreement.

The principal issue in this case pertains to the validity of two instruments - the Revocation Agreement and the Partition Agreement -purporting to convey a portion of the subject lot to Terry.

Before proceeding to discuss the validity of the contract, however, a clarification must be made. Based on the provisions of the Revocation Agreement and the Partition Agreement, we conclude that the two instruments must be read as part of a single contract of sale. In the Revocation Agreement, the parties recognized the transfer of a 3,000-square meter portion of Lot No. 10628-pt to Terry. However, instead of identifying the specific segment of the property allegedly conveyed, they stipulated that "the actual location of the said 3,000 square meters shall be determined by both parties in a separate document consonant with this agreement, but forming a part hereof." [39] That separate document was the Partition Agreement subsequently executed by the parties to physically segregate the portion of the property sold to Terry.

It is therefore evident that the two instruments in question are not separate contracts, but are mere components of the same sales transaction. Accordingly, we must examine both documents together to determine whether a valid contract of sale exists.

Article 1458 of the Civil Code describes a contract of sale as a transaction by which "one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to pay therefore a price certain in money or its equivalent." The elements of a perfected contract of sale are the following: (1) the meeting of the minds of the parties or their consent to a transfer of ownership in exchange for a price; (2) the determinate object or subject matter of the contract; and (3) the price certain in money or its equivalent as consideration for the sale.[40] The absence of any of these elements renders a contract void.

In this case, the Revocation Agreement and the Partition Agreement are silent on the matter of consideration. Neither instrument mentions the purchase price for the sale of the lot. The CA, however, sustained the validity of both instruments. It held that the true intent of the parties was to transfer 3,000 square meters of the disputed property to Terry without reserving his right to consideration. Petitioner, on the other hand, insists that the RTC correctly declared both contracts void - the Revocation Agreement, because of the absence of consideration and the failure of Vargas and Terry to execute the document needed to segregate the portion allegedly conveyed; and the Partition Agreement for lack of consideration.

Given the contradictory findings of the CA and the RTC in this case, we have been compelled to look into the records of the case in order to arrive upon our own factual determinations.[41] After carefully studying the records, we conclude that not all the elements of a perfected contract of sale were present. In particular, we find no sufficient evidence that the parties ever agreed on a specific purchase price for the property.

We note the competing allegations of the parties on this point. While the purchase price for the property was not indicated on either of the instruments,[42] respondents insist that consideration was paid twice for the same lot (P5,557.60 upon the execution of the original Deed of Absolute Sale and P3,000 upon the signing of the Revocation Agreement).[43] On the other hand, petitioner contends that there was no consideration stated in the Revocation Agreement, because the parties agreed to determine the price of the property in a separate document.[44] She then asserts that an agreement was reached on the sale of the property to Terry at the prevailing market price.[45]

As stated above, we find no evidence that the parties ever agreed upon a "price certain" as consideration for the

property.

This Court considers Terry's claim of payment untenable considering his failure to present any evidence of his assertion other than his bare testimony. We also note significant inconsistencies in his allegations before the trial court. He insisted during his testimony that he had paid for the property. In his Answer, however, he never asserted the payment of consideration as a defense.[46] Instead, he emphasized that the Deed of Absolute Sale was executed by Vargas to return the land to him as the heir of the true owner of the property.[47]

Further, Terry did not mention any form of consideration in connection with the Revocation Agreement. In fact, he admitted in his Answer that no consideration was given to him in exchange for his consent to the revocation of the earlier contract. He supposedly agreed to the revocation only because of his closeness to the Vargas family and in order to avoid litigation.[48] This statement directly contradicts his later assertion that there was monetary consideration for the sale.

In the same manner, the allegation made by petitioner that the parties agreed to the sale of the lot at the prevailing market price is bereft of factual basis. Other than her own bare allegation, there was no evidence submitted to support her claim that the sale was agreed upon by the parties upon the execution of the Partition Agreement. In fact, that instrument did not refer to any supposed agreement as to the price for the lot.

Given that both the Revocation Agreement and the Partition Agreement are silent on the issue of consideration, and further considering the conflicting accounts of the parties themselves as to the exact amount of the purchase price, this Court agrees with the finding of the RTC that the parties did not reach any agreement as to the amount of monetary consideration for the property.[49]

This lack of consensus as to the price prevented the perfection of the sale. We emphasize that the law requires a definite agreement as to a "price certain"; otherwise, there is no true meeting of the minds between the parties.[50] In *Villanueva v. Court of Appeals*,[51] this Court stated:

The price must be certain, otherwise there is no true consent between the parties. There can be no sale without a price. In the instant case, however, what is dramatically clear from the evidence is that there was no meeting of mind as to the price, expressly or impliedly, directly or indirectly.

Sale is a consensual contract. He who alleges it must show its existence by competent proof. Here, the very essential element of price has not been proven.

As there was no sufficient evidence of a meeting of the minds between the parties with regard to the consideration for the sale, we are compelled to declare the transaction null and void.

Typically, the foregoing ruling would likewise invalidate all of Terry's subsequent transactions involving the property, pursuant to the principle that the spring cannot rise higher than its source.[52] Nevertheless, we come to a different conclusion in this case as regards the rights of respondents Sarmiento and Alberto given the applicability of the equitable principle of estoppel in pais.

Petitioner is estopped from assailing the sale transactions in favor of respondents Alberto and Sarmiento.

The CA ruled in the assailed Decision that by virtue of the principles of estoppel and laches, petitioner was barred from questioning the sale of the property to respondents:

[A]ppellee waited more than six (6) years from the time she executed said Partition Agreement before asserting her supposed claim. Thus, even assuming, for the sake of argument, that appellee has a valid claim against appellant Terry, laches has ineluctably set in.

The doctrine of laches or of "stale demands" is based upon grounds of public policy which requires, for the

peace of society, the discouragement of stale claims and, unlike the statute of limitations, is not merely a question of time but is principally a question of the inequity or unfairness of permitting a right or claim to be enforced or asserted.

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Indeed, it would be [iniquitous] to allow appellee to assert her supposed claim under the present circumstances, especially when all of appellant Terry's co-defendants relied on the strength of appellee's representation in the Partition Agreement which she executed allotting the disputed portion to appellant Terry. The error in appellee's line of argument is that she is merely tucking (sic) the alleged bad faith on the part of appellant Terry's co-defendants to appellant Terry's alleged bad faith in acquiring the disputed portion, such that any and all rights acquired by appellant Terry's co-defendants cannot be better than those of appellant Terry himself. Appellee failed to realize that she herself is equally at fault as appellant Terry's co-defendants relied on her representations in the Partition Agreement which she voluntarily and freely executed.[53]

This Court does not agree that the doctrine of laches is applicable here. The interval of six years between the date of execution of the Partition Agreement and that of the institution of the Complaint in this case does not, by itself, render the demands of petitioner stale.

We emphasize that laches does not merely concern the lapse of time.[54] As we explained in *Heirs of Nieto v. Municipality of Meycauyan*:[55]

Laches has been defined as the failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence could or should have been done earlier. It is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert his right has either abandoned or declined to assert it.[56]

Here, petitioner did not exhibit any conduct that would warrant the presumption that she had abandoned or declined to assert her right over the property. It was her initial belief that the lot was truly sold by her father to Terry, albeit pending the determination of the consideration and the specific location of the subject portion. Moreover, the latter's repeated assurances that he would pay for the lot explained the delay in the institution of the case. For this reason, this Court does not find the delay unreasonable.

However, we do find sufficient basis to utilize the doctrine of estoppel in pais to bar the claims of petitioner against respondents Sarmiento and Alberto. In *GE Money Bank, Inc. v. Spouses Dizon*,[57] the Court clarified the meaning of this doctrine:

Estoppel in pais arises when one, by his acts, representations or admissions, or by his own silence when he ought to speak out, intentionally or through culpable negligence, induces another to believe certain facts to exist and such other rightfully relies and acts on such belief, so that he will be prejudiced if the former is permitted to deny the existence of such facts. The principle of estoppel would step in to prevent one party from going back on his or her own acts and representations to the prejudice of the other party who relied upon them. It is a principle of equity and natural justice, expressly adopted in Article 1431 of the New Civil Code and articulated as one of the conclusive presumptions in Rule 131, Section 2 (a) of our Rules of Court.[58]

For the principle to apply, certain elements must be present in respect of both the party sought to be estopped and the party claiming estoppel:

The essential elements of estoppel in pais, in relation to the party sought to be estopped, are: 1) a clear conduct amounting to false representation or concealment of material facts or, at least, calculated to convey the impression that the facts are otherwise than, and inconsistent with, those which the party subsequently attempts to assert; 2) an intent or, at least, an expectation, that this conduct shall influence, or be acted upon by, the other party; and 3) the knowledge, actual or constructive, by him of the real facts. With respect to the party

claiming the estoppel, the conditions he must satisfy are: 1) lack of knowledge or of the means of knowledge of the truth as to the facts in question; 2) reliance, in good faith, upon the conduct or statements of the party to be estopped; and 3) action or inaction based thereon of such character as to change his position or status calculated to cause him injury or prejudice. It has not been shown that respondent intended to conceal the actual facts concerning the property; more importantly, petitioner has been shown not to be totally unaware of the real ownership of the subject property.[59]

All the foregoing requisites have been fulfilled in this case. When petitioner signed the Partition Agreement, she clearly recognized Terry's right as absolute owner of the portion of the property assigned to him, with no reservation whatsoever. She recognized that right despite her doubts about the validity of the sale made by her father and the knowledge that Terry had not yet paid for the land. Moreover, she could not have been oblivious to the fact that the document might be used to influence others to buy the land, because she knew that Terry had previously sold portions of the property to third persons.

Respondents Sarmiento and Alberto, on the other hand, clearly relied in good faith on the Partition Agreement. Since there was no evidence that they knew of the true state of the transaction between petitioner and Terry, it was reasonable for them to rely on the statement of petitioner alone, who unconditionally recognized Terry's right to the property. To allow her to now adopt a contrary position would cause respondents undue injury and prejudice. This Court is thus compelled to rule that petitioner is estopped from asserting her right to the property as against Sarmiento and Alberto. In this respect, the CA ruling is affirmed.

The Heirs of Terry must remit to petitioner the payments received by their predecessor-in-interest from Sarmiento and Alberto.

Given our conclusions on the nullity of the sale and the applicability of the principle of estoppel, we deem it proper to order the Heirs of Terry to remit to petitioner all the payments received by their predecessor-in-interest from Sarmiento and Alberto in connection with the sale of the property. Based on the Deeds of Absolute Sale executed by the two purchasers, Sarmiento and Alberto paid Terry P2000[60] and P10,000,[61] respectively, for their portions of the lot. The Heirs of Terry must now turn over the proceeds of these sale transactions to petitioner.

This ruling is demanded by the equitable principle of unjust enrichment. We have declared that "[t]here is unjust enrichment when a person unjustly retains a benefit to the loss of another, or when a person retains money or property of another against the fundamental principles of justice, equity and good conscience." [62] Since Terry never paid any consideration and the property was never validly conveyed to him, he and his heirs should not be allowed to benefit from the sale thereof.

Moreover, while petitioner is barred by estoppel from recovering the lot from Sarmiento and Alberto, her right to enforce claims against Terry remained unaffected. Under the circumstances, it is only fair and reasonable to allow her to recover the payments received by Terry for the lot. Given that Terry died in 2012, his heirs are liable for the reimbursement of these amounts.[63]

WHEREFORE, the Petition for Review is **PARTLY GRANTED**. The Court of Appeals Decision dated 19 March 2009 and its Resolution dated 29 March 2010 are **AFFIRMED** insofar as the rights of Fe M. Alberto and Elisa B. Sarmiento are concerned. However, in respect of the Heirs of Loreño Terry, the Decision and the Resolution are **MODIFIED** as follows:

1. The Revocation Agreement dated 22 January 1996 and the Partition Agreement dated 3 May 2000 are hereby declared **NULL** and **VOID**.
2. The Heirs of Loreño Terry are **ORDERED** to vacate the property and surrender the peaceful possession

thereof to Agnes Guison.

3. The Heirs of Loreño Terry are likewise ORDERED to remit to Agnes Guison the payments received by their predecessor-in-interest from Fe M. Alberto and Elisa B. Sarmiento in the amounts of P2,000 and P10,000, respectively.

No pronouncement as to costs.

SO ORDERED.

Leonardo-De Castro, Del Castillo, Perlas-Bernabe and Caguioa, JJ., concur.

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- [1] Petition dated 3 June 2010 and filed under Rule 45 of the Rules of Court; rollo, pp. 9-22.
- [2] Decision dated 19 March 2009; penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Fernanda Lampas-Peralta and Ramon R. Garcia; rollo, pp. 23-43.
- [3] Resolution dated 29 March 2010; rollo, pp. 44-46
- [4] Decision dated 31 July 2007 in Civil Case No. 2112; penned by Presiding Judge Genie F. Gapas-Agbada Records (Vol. I), pp. 285-302.
- [5] "Lorenzo Terry" in some parts of the record.
- [6] Transfer Certificate of Title No. (TCT) 12244; Records (Vol. I), pp. 9-10
- [7] Deed of Absolute Sale of Real Property dated 14 March 1995; Records (Vol. I), p. 120.
- [8] Deed of Absolute Sale dated 28 September 1995; Records (Vol. I), p. 126.
- [9] Deed of Absolute Sale dated 30 December 1995; Records (Vol. I), p. 134.
- [10] Deed of Absolute Sale dated 31 December 1995; Records (Vol. I), p. 132.
- [11] Agreement of Revocation of Sale dated 22 January 1996; Records (Vol. I), pp. 121-122.
- [12] See Extrajudicial Settlement of Estate Among Heirs dated 8 September 2000; Records (Vol. I), pp. 147-151.
- [13] Partition Agreement dated 3 May 2000, Records (Vol. I), pp. 124-125.
- [14] Deed of Absolute Sale dated 20 September 2000; Records (Vol. I), p. 133.
- [15] Deed of Absolute Sale dated 22 May 2000; Records (Vol. I), pp. 130-131.
- [16] Deed of Absolute Sale dated 12 May 2000; Records (Vol. I), p. 129.
- [17] Deed of Absolute Sale dated 10 April 2001; Records (Vol. I), p. 127.
- [18] Deed of Absolute Sale dated 18 September 2002; Records (Vol. I), p. 128.
- [19] Deed of Absolute Sale dated 12 June 2001; Records (Vol. I), p. 135.
- [20] RTC Decision dated 31 July 2007, supra note 4 at 283.
- [21] Supra note 12.
- [22] Id.

[23] Complaint dated 11 November 2006; Records (Vol. 1), pp. 1 -8.

[24] Answer with Compulsory Counterclaim with Answer to all Cross-Claims; Records (Vol. I), pp. 81-86.

[25] Answer (of Defendant Alex V. Laynes) with Compulsory Counterclaim and Crossclaim; Records (Vol. I), pp. 36-40; Answer with Compulsory Counterclaim and Cross-Claim against Defendant Loreño Terry filed by Spouses Medin M. Francisco and Francia M. Francisco, Eddie Alcantara, Lino S. Gianan and Oswaldo C. de Leon; Records (Vol. I), pp. 53-57; Answer filed by Elisa B. Sarmiento; Records (Vol. I), pp. 61-65; Answer with Compulsory Counterclaim and Cross-Claim filed by Fe M. Alberto; Records (Vol. I), pp. 72- 77.

[26] Pre-Trial Order dated 13 February 2007; Records (Vol. I), pp. 187-203

[27] Decision dated 31 July 2007, *supra* note 4.

[28] *Id.* at 293-295.

[29] *Id.* at 299-300.

[30] Motion for Reconsideration dated 9 August 2007 filed by Spouses Medin and Francia Francisco, Eddie Alcantara, Oswaldo de Leon and Lino Gianan; Records (Vol. I), pp. 303-304.

[31] Order dated 28 September 2007; Records (Vol. I), pp. 315-316.

[32] Records (Vol. I), pp. 305-306.

[33] Order dated 24 October 2007; Records (Vol. I), pp. 317.

[34] *Supra* note 2.

[35] Resolution dated 29 March 2010, *supra* note 3.

[36] Dated 21 October 2010; *rollo*, pp. 101-105.

[37] Certificate of Death dated 9 July 2012; *rollo*, p. 185.

[38] Dated 20 July 2015; *rollo*, pp. 139-155.

[39] Agreement of Revocation of Sale, *supra* note 11.

[40] See *Riosa v. Tabaco La Suerte Corp.*, 720 Phil. 586 (2013).

[41] Generally, questions of fact are beyond the scope of a petition for review on certiorari under Rule 45 of the Rules of Court. An exception to this rule, however, is when the findings of fact of the Court of Appeals are contrary to those of the trial court. See *Sealoader Shipping Corp. v. Grand Cement Manufacturing Corp.*, 653 Phil. 155 (2010).

[42] See Agreement of Revocation of Sale, *supra* note 11; Partition Agreement, *supra* note 13.

[43] See Transcript of Stenographic Notes [TSN], 16 April 2007, pp. 6-7, 11; Also *rollo*, p. 104.

[44] See TSN, 26 March 2007, p. 12.

[45] *Id.* at 45.

[46] See Answer with Compulsory Counterclaim with Answer to all Cross-Claims, *supra* note 24.

[47] Paragraph 5 of the Answer states:

5. The land in question was originally owned by Sotero Arcilla, grandfather of defendant Lorenzo Terry, but the land was declared in the name of Fernando Vargas, grandfather of plaintiff Agnes Guison and father of Angeles Vargas (plaintiff's father) without any sufficient legal basis. In consideration of this fact, Angeles Vargas executed a Deed of Sale in favor of Lorenzo Terry wherein his (Angeles Vargas') intention was to return the land to the heir of the true owner Sotero Arcilla.

[48] Paragraph 7 of the Answer states:

7. Later on, plaintiff Agnes Guison (daughter of Angeles Vargas), insisted to herein defendant Lorenzo Terry that the land transferred to him be reduced to 3,000 square meters so that she and her siblings would have some share in the land also. At first, the defendant hesitated, but in consideration of his closeness to the family of Angeles Vargas, and to avoid litigation, he agreed, and the land validly transferred to the defendant was reduced to 3,000 square meters. But it is worth emphasizing that at the time of the execution of the said Agreement of Revocation of Sale, the defendant was already in possession of the entire land and his possession was legal and with the acquiescence of Angeles Vargas.

[49] RTC Decision, *supra* note 4, at 294.

[50] *Swedish Match, AB v. Court of Appeals*, 483 Phil. 735 (2004).

[51] 334 Phil. 750, 760-761 (1997).

[52] See *Republic v. Mangotara (Resolution)*, 638 Phil. 353 (2010).

[53] CA Decision dated 19 March 2009, *supra* note 2, at 39-40.

[54] *Akang v. Municipality of Isulan*, 712 Phil. 420 (2013).

[55] 564 Phil. 674 (2007).

[56] *Id.* at 680.

[57] G.R. No. 184301, 23 March 2015, 754 SCRA 74.

[58] *Id.* at 95.

[59] *Shopper's Paradise Realty & Development Corp. v. Roque*, 464 Phil. 116, 124 (2004).

[60] Deed of Absolute Sale dated 12 May 2000, *supra* note 16.

[61] Deed of Absolute Sale dated 22 May 2000, *supra* note 15.

[62] *Gaisano v. Development Insurance and Surety Corp.*, G.R. No. 190702, 7 February 2017.

[63] See *Abella v. Heirs of San Juan* (G.R. No. 182629, 24 February 2016), in which this Court ordered the heirs of the parties to a void agreement to return amounts received on the basis of the principle of unjust enrichment.

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