

**BENEDICTO BATARA OCAMPO AND DAISY GARCIA-OCAMPO,
PETITIONERS, VS. NOBLESA BATARA-SAPAD AND ERNESTO C.
BATARA, RESPONDENTS.***G.R. No. 256343, April 02, 2025*

Ponente: GAERLAN, J.

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This is a Petition for Review on Certiorari^[1] assailing the September 27, 2019 Decision^[2] and the February 5, 2021 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 156620.

Marcos Batara^[4] (Marcos) owned a one-hectare parcel of land (the disputed lot, or the lot) in Kaliwanagan, San Jose City, Nueva Ecija, with an assessed value of PHP 11,280.00.^[5] The lot is registered in his name under Transfer Certificate of Title (TCT) No. NT-41863.^[6] Marcos passed away on February 14, 1974.^[7] He was survived by his two children: respondents Noblesa Batara-Sapad (Noblesa) and Ernesto C. Batara (Ernesto).^[8] Noblesa, then aged nine years, was taken into the care of Marcos's brother, Marcelo Batara (Marcelo); while Ernesto, then aged 13 years, was sent to Manila to live with another brother of Marcos. At that time, neither Noblesa nor Ernesto knew about their father's ownership of the lot.^[9]

On August 2, 2007, Noblesa received a written order from the Office of the City Treasurer of San Jose directing her to settle the real property arrearages on the disputed lot, which had accrued from 1983.^[10] Noblesa investigated the matter and learned that the disputed lot is being occupied by her cousin, petitioner Benedicto Batara Ocampo (Benedicto).^[11] Benedicto claimed that he purchased the lot from his uncle Marcos through the intercession of Marcelo; but Benedicto failed to show any written proof of the sale.^[12] Noblesa thus asked Benedicto to either pay the purchase price himself or sell it to third parties so they can divide the proceeds.^[13]

According to Noblesa, Benedicto agreed to pay her a certain amount to purchase the lot, but failed to do so.^[14] She thus lodged a complaint with the barangay conciliation board but no settlement was reached.^[15] On November 8, 2011, Noblesa issued a written demand to vacate against Benedicto, which went unheeded.^[16] On February 14, 2013, Noblesa filed an action for recovery of possession against Benedicto and his wife, petitioner Daisy Garcia-Ocampo (Daisy), before the city court of San Jose.^[17]

In their defense, Benedicto and Daisy claimed that they took possession of the lot after buying it from Marcos for the price of PHP 40,000.00. Benedicto claimed that he paid the purchase price in installments from 1972 to 1985,^[18] with the first installment of PHP 3,000.00 having been paid directly to Marcos.^[19] Upon Marcos's demise in 1974, Benedicto remitted the rest of the payments to Marcelo, because Marcos's wife was unavailable to receive them, having married someone else, and in consideration of Marcelo's support and aid to Noblesa and Ernesto.^[20] One of the payments was witnessed by Ernesto himself.^[21] Daisy entered into possession of the lot in 1982 on Benedicto's behalf and started planting vegetables thereon.^[22] Benedicto admitted that the sale was not evidenced by any written document because Marcos and Marcelo died before they could execute the necessary instruments.^[23] Nevertheless, Benedicto produced the owner's copy of TCT No. NT-41863 which

Marcos allegedly gave him after receiving the first installment payment in 1972.[24] Benedicto also submitted official receipts to prove that he had been paying the realty taxes on the lot since 1982.[25]

On February 20, 2018, the city court rendered judgment[26] in favor of Noblesa and Ernesto. Benedicto and Daisy were ordered to vacate the disputed lot and to hand over the owner's copy of TCT No. NT-41863.[27] The city court ruled that Noblesa and Ernesto had a better right to possession of the lot as legal heirs of the registered owner, for registered lands cannot be acquired by adverse possession.[28] The sale to Benedicto cannot be given effect, as it was undocumented and unregistered. Furthermore, there is no proof that Marcelo was authorized to receive payments and convey the property on behalf of Marcos and his heirs.[29]

On appeal by Benedicto and Daisy, the Regional Trial Court (RTC) affirmed[30] the decision of the city court. The RTC ruled that the action was reivindicatory in nature as Noblesa and Ernesto sought possession on the basis of an ownership claim.[31] The RTC agreed that Noblesa and Ernesto had the better right of possession based on the title certificate in their father's name. The sale to Benedicto was not sufficiently proven, as it is only based on the possibly biased testimonies of Benedicto, Daisy, and their relatives. Likewise, the realty tax receipts submitted by Benedicto are inconclusive proof of ownership, especially when weighed against Marcos's TCT.[32]

Benedicto and Daisy elevated the matter to the CA through a Rule 42 petition,[33] which was denied in the assailed Decision and Resolution.

The CA fully sustained the findings and conclusions of the RTC,[34] only adding that Benedicto acted in bad faith when he remitted payments to Marcelo rather than to Noblesa and Ernesto, considering that Marcelo had no ownership interest in the lot and Noblesa was already 21 years old by the time Benedicto allegedly finished paying the purchase price in 1985. Furthermore, Benedicto and Daisy never told Noblesa and Ernesto about the lot, as Noblesa only learned about its existence and circumstances when the San Jose City government directed her to pay the realty tax arrearages thereon.[35]

In their motion for reconsideration, Benedicto and Daisy argued that the remittance of payments to Marcelo was in keeping with traditional customs which the CA should have judicially noticed.[36] Furthermore, Noblesa and Ernesto's failure to object to the presentation of parol evidence of the sale is an implied ratification thereof, pursuant to Article 1405 of the Civil Code.[37]

In the assailed Resolution, the CA rejected Benedicto and Daisy's ratification argument. Ratification of an unenforceable sale does not apply because Noblesa and Ernesto learned about the sale only in 2007, long after the sale had been consummated. Furthermore, they did not receive any of the proceeds therefrom, even when they were already of legal age and capacitated to receive payments. Also, Benedicto and Daisy did not offer any proof that Marcos agreed to the sale or to the remittance of payments to Marcelo after his demise. The Statute of Frauds and the ratification of unenforceable contracts do not apply to executed contracts like the one at bar.[38]

In the present petition, Benedicto and Daisy claim that the MTCC and the RTC "failed to appreciate the issues and the evidence on record." [39] They thus ask this Court to uphold the sale, which was duly proven by their testimonial evidence.[40] They also reiterate their ratification argument, asserting that Noblesa and Ernesto ratified the sale when they kept silent about the payments and cross--examined the witnesses who provided testimonial evidence of the sale.[41]

Benedicto and Daisy also argue that Marcos consented to the sale because he was the one who offered to sell the land to Benedicto through Marcelo.[42] Benedicto and Daisy further disavow Noblesa and Ernesto's lack of knowledge of the sale, arguing that it was impossible for Noblesa to receive a notice of real property tax delinquency because they were paying the realty taxes on the lot.[43] They also decry the trial court's disregard of

the testimony of Lourdes Ajero (Ajero), who claimed that she personally witnessed: 1) Benedicto handing over the first 3,000-peso installment to Marcos in 1972; 2) the 24,000-peso installment paid by Benedicto to Marcelo in the presence of Ernesto in 1982; and 3) the final 24,000-peso installment payment made in 1985, also in the presence of Ernesto. They argue that Ernesto's failure to object to those payments should be considered an admission by silence.[44]

In sum, Benedicto and Daisy claim a better right to possess the lot on the basis of: 1) adverse possession since 1982 by virtue of the unwritten sale; 2) the delivery to them of the owner's copy of Marcos's TCT; and 3) payment of real property taxes from 1964 to 2013.[45]

Noblesa and Ernesto riposte that the errors raised by Benedicto and Daisy touch upon questions of fact which cannot be reviewed at this level of adjudication.[46] At any rate, the sale was not adequately proven because there is no written or documentary proof that Marcos consented thereto. The element of consideration is also absent as Benedicto made the overwhelming majority of his payments to Marcelo, who is neither Noblesa and Ernesto's guardian nor Marcos's authorized representative or executor.[47] At any rate, the RTC did not err in its evaluation of the evidence. The testimonies of Benedicto, Daisy, and their relatives are self-serving and no other evidence of the sale was provided.[48]

Nature of the case

The RTC and the CA correctly ruled that Noblesa and Ernesto's claim is one of reivindicacion. Case law defines reivindicacion as:

[A]n action whereby the plaintiff alleges ownership over a parcel of land and seeks recovery of its full possession. It is a suit to recover possession of a parcel of land as an element of ownership. The judgment in such a case determines the ownership of the property and awards the possession of the property to the lawful owner. It is different from accion interdictal or accion publiciana where plaintiff merely alleges proof of a better right to possess without claim of title.[49]

It is undisputed that the lot is registered in Marcos's name. Noblesa and Ernesto thus base their claim of possession on their father's title certificate. They filed the present case to wrest possession from the current possessor on the basis of an ownership claim. This Court is thus called to determine the validity of said ownership claim as against the claim of the current possessor Benedicto, which is based on the existence and the validity of the alleged sale.

Factual review is justified under the circumstances

Generally, a Rule 45 review is limited to questions of law which must be clearly set forth in the petition.[50] There is a question of law when there is doubt or difference as to the law applicable upon a certain set of facts;[51] in turn, a question is one of fact where there is no certainty as to the facts, as when the question requires "the calibration of evidence, the determination of the credibility of witnesses, the existence and the relevance of the attendant circumstances, and the probability of specific situations." [52] Likewise, factual findings and conclusions of the trial courts are considered final and binding upon this Court when affirmed by the CA.[53]

Even a pedestrian perusal of Benedicto and Daisy's petition will show that it is aimed directly at the unanimous factual findings and conclusions of the courts a quo regarding the circumstances of the alleged sale between Marcos and Benedicto. Nevertheless, jurisprudence does not preclude the reevaluation of evidence for the purpose of resolving questions of fact in a Rule 45 review, when the decision under review is based on a misapprehension of facts, or when factual conclusions based on supposed absence of evidence are contradicted by the record.[54]

We find that the trial courts misapprehended certain facts and overlooked certain pieces of evidence in rendering judgment for Noblesa and Ernesto. Particularly, the trial courts erred in completely disregarding the testimonies of Benedicto and his witnesses. While "parol evidence is easier to concoct and more likely to be colored or inaccurate than documentary evidence";[55] it bears emphasis that Noblesa and Ernesto do not dispute Benedicto's possession of both the disputed lot and the owner's copy of the title certificate. Too, Noblesa and Ernesto did not even know that their father owned the disputed lot until 2007. Given these circumstances, the trial courts should have been more receptive to evidence explaining how and why Benedicto came to acquire adverse possession not only of the lot itself but also the owner's copy of its title certificate, as against the registered owner's heirs. As it is their duty to determine and adjudicate ownership in reivindicacion cases, the status of the land and Benedicto's claim thereto should have spurred the trial courts and the CA to go beyond Marcos's certificate of title and dig deeper into the factual circumstances surrounding the ownership of the lot.

Applicability of Articles 1403 and 1405 of the Civil Code

Benedicto admits that the sale to him was completely unwritten, as Marcos and Marcelo died before they could execute a deed of sale. He further admitted that Noblesa and Ernesto could not have executed the deed themselves in 1972 because they were still minors. Benedicto thus presented purely testimonial evidence to prove the sale, offering the testimonies of his wife and relatives who were allegedly present during the payment of the installments and who were personally aware of Benedicto's acquisition of possession over the disputed parcel. In response, Noblesa and Ernesto assert that the unwritten sale is unenforceable following Article 1403(2) of the Civil Code, which also renders inadmissible the parol evidence adduced by Benedicto and Daisy to prove the same.

Articles 1358 and 1403(2)(e) of the Civil Code ordain inter alia that contracts for the sale of real property must be made in a public document and subscribed by the party charged or his agent; otherwise they cannot be enforced by action, and evidence thereof "cannot be received without the writing, or a secondary evidence of its contents." This requirement, however, does not affect the validity of such contracts, because the Civil Code "does not require accomplishment of acts or contracts in a public instrument in order to validate the act or contract but only to insure its efficacy so that after the existence of the act or contract has been admitted, the party bound may be compelled to execute the document." [56]

Furthermore, the scope of Article 1403(2) is limited to the enforcement of an unwritten contract. It does not apply to contracts that have been partially or totally implemented; [57] and "[t]aking possession of the property and making improvements thereon serve as indicators that an oral sale of a piece of land had already been executed." [58] Thus, buyers in possession may invoke an unwritten contract of sale as the legal basis of their possession. This Court so held almost a hundred years ago in *Almirol v. Monserrat*, [59] where Ricanor sold a parcel of land on installment to Almirol in 1912 for 1,500 pesos, without reducing their agreement into writing. Ricanor delivered to Almirol the documents of title to the property upon payment of the first installment; at the same time, Almirol took possession of the land. Ricanor passed away that same year, leaving two minor grandchildren. Almirol applied for registration of the land in his name, but the trial court denied the application on the ground that the verbal sale is invalid under Section 335 of the old Code of Civil Procedure [60] and therefore cannot prejudice the hereditary rights of Ricanor's grandchildren in the parcel of land. In reversing the trial court, We held:

[S]ection 335 of the Code of Civil Procedure upon which is founded the denial of [Almirol's] application...

makes only ineffective the action to enforce performance of the contracts therein enumerated, but does not declare them absolutely void and of no legal effect.

Said section 335 of the Code of Civil Procedure is not applicable where, as in the instant case, the verbal contract is adduced, not for the purpose of enforcing performance thereof, but as the basis of the lawful possession of the applicants entitling them to have the land thereby sold registered in their name.

Even if this were a case for the specific performance of such a verbal contract of sale, still the theory might be invoked that said section 335 of our Code of Civil Procedure refers to executory rather than executed contracts; and the one before us is a contract partially executed since a part of the price was paid by [Almirol] in the year 1912 to [Ricanor and his wife], and pursuant to said contract [Ricanor] delivered then the land to [Almirol], as well as the documents pertaining thereto.

Consequently, the evidence introduced in this case relative to the sale in question should not be rejected, but must be taken into account, and is considered by this court in the decision of this case.

Giving said evidence its worth, it appears that [Almirol] had the right to have the whole land in question registered in their name.[61]

Similarly, in *Heirs of Alido v. Campano*,[62] Alido sold a parcel of land to Campano in 1978, again, without a written agreement. Alido delivered the owner's copy of the title certificate to Campano, who took possession and paid the realty taxes on the land. In 2009, Alido's heirs asked Campano to surrender said owner's copy so that the parcel may be included in the settlement of Alido's estate, but Campano refused. The heirs thus sued Campano to compel the surrender of the title certificate. Like the MTCC and the RTC in the case at bar, the trial court also relied on the strength of the title certificate and sided with Alido's heirs. The CA reversed and dismissed the suit. It held that the sale cannot be enforced, not because it was unwritten, but because it was a prohibited transaction under the Public Land Act.[63] We sustained the legal reasoning of the CA thusly:

While the Statute of Frauds aim to safeguard the parties to a contract from fraud or perjury, its non-observance does not adversely affect the intrinsic validity of their agreement. The form prescribed by law is for evidentiary purposes, non-compliance of which does not make the contract void or voidable, but only renders the contract unenforceable by any action. In fact, contracts which do not comply with the Statute of Frauds are ratified by the failure of the parties to object to the presentation of oral evidence to prove the same, or by an acceptance of benefits under them.

Further, the Statute of Frauds is limited to executory contracts where there is a wide field for fraud as there is no palpable evidence of the intention of the contracting parties. It has no application to executed contracts because the exclusion of parol evidence would promote fraud or bad faith as it would allow parties to keep the benefits derived from the transaction and at the same time evade the obligations imposed therefrom.

The RTC errs in summarily dismissing respondent's claim of ownership simply because the sale between her and Alido was not supported by a written deed. As above-mentioned, an oral sale of real property is not void and even enforceable and binding between the parties if it had been totally or partially executed.

The Court agrees with the observations of the CA that the Statute of Frauds is inapplicable in the present case as the verbal sale between respondent and Alido had been executed. From the time of the purported sale in 1978, respondent peacefully possessed the property and had in her custody OCT No. F-16558. Further, she had been the one paying the real property taxes and not Alido. Possession of the property, making improvements therein and paying its real property taxes may serve as indicators that an oral sale of a piece of land had been performed or executed.[64] (Citations omitted)

Like in *Almirol* and *Heirs of Alido*, the case at bar involves an executed unwritten sale of real property being used to set up a claim of ownership or possession against the registered owner.[65] Following the legal principle

enunciated in those cases, We must accordingly admit into evidence the testimonies of Benedicto and his witnesses regarding the circumstances of the 1972 sale.

Proof of the sale

As discussed above, Noblesa and Ernesto had no knowledge of the lot or their father's ownership thereof until the San Jose City government tried to collect realty tax arrearages from them in 2007. They were children when their father passed in 1974, and were very young adults at the time of the alleged payment of the final installment for the purchase of the lot in 1985. Meanwhile, Benedicto and Daisy described in detail the 1972 sale, the condition and circumstances of the lot, and their possession thereof beginning in 1982:

2.

Q – Do you know the parcel of land in question?

A – Yes, sir, I know.

3.

Q – Why?

A – Because my wife and I are the owners thereof.

4.

Q – Who is in actual possession or cultivation of the property in question?

A – My wife and I, sir.

5.

Q – How did you become the owners of the property in question?

A – By purchase, sir.

6.

Q – How were you able to purchase it?

A – The owner, in the person of Marcos Batara, pleaded, that I shall buy the property, so that he [may] support his children's education, sir.

7.

Q – How was the sale offered?

A – Marcos Batara offered to sell the property in installment, sir.

8.

Q – When was that?

A – In the year 1972, sir.

9.

Q – What happened in the year 1972?

A – I was asked to first pay Marcos Batara the initial sum of Three Thousand Pesos ([PHP] 3,000.00), sir.

10.

Q – Did you pay the Three Thousand Pesos ([PHP] 3,000.00)?

A – Yes, sir.

11.

Q - Who received the sum of Three Thousand Pesos ([PHP] 3,000.00)?

A – It was Marcos Batara, who received it, sir.

12.

Q – What was the status or condition of the property in the year 1972?

A - It was stony, with some trees and cogon grasses all over, sir.

13.

Q – Was it not arable?

A – These dotted areas are planted with "upo" vegetables, sir.

14.

Q – How much the property was offered for you to buy?

A – Forty Thousand Pesos ([PHP] 40,000.00), sir.

15.

Q – Were you able to pay the whole of Forty Thousand Pesos ([PHP] 40, 000.00)?

A – Yes, sir.

16.

Q – When did you start working on the property in question?

A – In the year 1982.

17.

Q – Were you the one who personally tended to the cultivation in the year 1982?

A – No, sir. It was my wife, who tended to the improvements and cultivation of the property in 1982, because I was working abroad in Saudi Arabia, sir.[66]

2.

T – Kayo rin po si Daisy Ocampo na isa sa mga inihabla sa Civil Case No. (13)3964?

S – Opo.

3.

T – Kaano-ano ninyo si Benedicto Batara Ocampo?

S – Asawa ko po[.]

4.

T – Alam niyo ba iyong lupang pinag-uusapan sa Civil Case No. (13)3964?

S – Opo[.]

5.

T – Bakit ninyo alam?

S – Kami po ang gumagawa doon[.]

6.

T – Kailan pa kayo nagsimulang gumawa doon?

S – Mula pa po noong taong 1982.

7.

T – Ano ang itinatanim niyo doon?

S – Mga gulay po.

8.

T – Bakit kayo ang gumagawa sa lupang pinag-uusapan?

S – Pag-aari po namin iyon.

9.

T – Papaanong naging inyo ang lupa?

S – Binili po namin noon mula kay Marcos Batara na ama ng mga naghahabla[.]

10.

T – May nakasulat bang Katibayan na nabili ninyo kay [M]arcos Batara?

S – Wala po, dahil noong iyalok sa amin na bibilhin, ay nagpaunang bayad lang ng P3,000.00 ang asawa ko na si Benedicto Ocampo, dahil walang iba-iba sa kanila, at naghahanap buhay pa ang asawa ko sa Maynila noon;

11.

T – Magkano ang kabuuang halaga ng lupa, at bakit kayo nagpauna lang ng [PHP] 3,000.00;

S – [PHP] 40,000.00 po.

12.

T – Bayad na ba ang hulihan ninyo sa lupa?

S – Opo.

13.

T – Iyong [i]bang inihulog bilang kabayaran ng lupa, may mga resibo ba?

S – Wala po, dahil sa tiwala naming pagkabayad ng kabuuang, ay gagawa na ng Deed of Absolute Sale, si Marcos Batara.

14.

T – Kung bayad na ang kabuuang na kabayaran ng lupa, bakit hindi nagawan ng "Deed of Absolute Sale"?

S – Dahil nakamatayan po ni Marcos [B]atara ang pagsasagawa ng "Deed of Absolute Sale".

....

30.

T – Bukod sa sarili ninyong paggawa o pagbubungkal sa lupa, ano ang mga ibang Katibayan na nabili ninyo ito?

S – Ibinigay po sa amin ang T.C.T. NO. 41863.

31.

T – Maipapakita mo ba ang "owner's copy" ng T.C.T. NO. 41863?

S – Opo, isinasama ko sa salaysay na ito bilang KARUGTONG "1" at hinihiling na markahan bilang EXHIBIT "1".[67]

AKO, BENEDICTO B. OCAMPO, 67 Taong gulang, may-asawa, mamamayang Pilipino at nakatira sa Zone 3, Brgy. Kaliwanagan, Lungsod ng San Jose, sa ilalim ng panunumpa ay malaya at kusang loob na nagsasaysay ng mga sumusunod:1. Na, ako'y kasalukuyang naghahanap-buhay sa ibayong-dagat noong mga taong 1972 hanggang sa taong 2006, bilang "documentation specialist" sa bansang Saudi Arabia;

2. Na, dahilan sa ako'y may kaunting naitatabi sa mga sahod ko, ay inilapit ni Marcos Batara ang kagipitan ng kaniyang pamilya at higit doon ay ang pag--papaaral sa mga anak niyang sina Noblesa Batara at Ernesto Batara;

3. Na, sa dahilang gusto niyang mapag-aral ang mga anak niya ay iniyalok niyang bilhin ko ang lupa niya, na sa ngayon ay pinag-uusapan sa "Civil Case No. [(13)3964]" at mapagkikilala bilang "Noblesa Batara Sapad & Ernesto C. Batara Rep. by Noblesa Batara Sapad vs. Benedicto Batara Ocampo & Daisy Ocampo";

4. Na, iniyalok niyang bilhin ko ang lupa sa akin, sa halagang [PHP] 40,000.00, sa pamamaraang hulugan;

5. Na, dahil sa pakiusap niyang ang mapagbibilhan, kahit hulugan na lamang, ay makakatulong sa pag-aaral ng mga nabanggit niyang anak, ay pumayag akong bilhin ng hulugan;

6. Na, si Marcos Batara lumapit siya nang minsang madalaw ako sa San Jose, mula sa Saudi Arabia, ay nagkasundo kami ng walang nakasulat na pagkakasundo sa halaga at hulugan, ngunit ang sabi niya, ay magtiwala ako sa kaniya dahil siya ay amain ko, sa dahilang kapatid siya ng nanay ko, at hindi raw niya tatalikuran ang usapang bilihan namin;

7. Na, dahil doon, ay nagbigay ako ng [PHP] 3,000.00, bilang paunang bayad;

8. Na, si Marcos Batara ang tumanggap ng paunang bayad sa [PHP] 3,000.00, at ito ay noong taong 1972;

9. Na, mula noong taong 1972, ang lupa ay nasa pamomosisyon noon ni Pedro Santos bilang katulong kong manggagawa sa lupa, dahil nasa Maynila noon nakatira ang pamilya ko;

10. Na, noong taong 1982, ay umuwi na ang pamilya ko sa Lungsod ng San Jose, at doon nagsimula ang pagpapaganda at pag-sasaayos sa bukid na binili ko, dahil noong mga panahong iyon, ay maraming talahib, mga punong-kahoy na tumutubo sa parang tulad ng "alibangbang", "anunang", "kamatsili", "adaan", bayabas at "arosep", at iba pa;

11. Na, kami ang nagbayad sa mga upa ng mga nag-alis at naghakot ng mga punong-kahoy upang maihanda sa pagbubukid at pagbabakood ang lupa;

12. Na, napaganda at napaunlad namin ang bukid sa bisa ng pangangasiwa ng asawa ko;[68]

Furthermore, the other witnesses, Joseph Pablo and Lourdes Ajero, declared that they personally saw Benedicto hand over installment payments to Marcelo.[69] While it may be natural for Benedicto and his witnesses to testify in their own interest,[70] the trial courts should have nevertheless given their testimonies more weight and credit considering the relative temporal and physical proximity of their interactions with Marcos and Marcelo, as against Noblesa and Ernesto's admitted utter lack of awareness of matters regarding the disputed lot and their admission of Benedicto and Daisy's possession thereof. Notably, when Noblesa learned of the sale, she initially demonstrated her willingness to honor the transaction. She[71] only filed the present case when Benedicto refused her request to pay her a certain sum as part of the purchase price for the lot and then cut off contact with her.[72]

Status and effect of the sale

Under Articles 1477 and 1496 of the Civil Code, ownership of the thing sold is vested in the buyer upon delivery. Article 1582 of the same Code obligates the buyer to accept delivery and pay the price of the thing sold. Benedicto and Daisy's testimonies, coupled with the undisputed fact of their possession, clearly show that the disputed lot had been delivered to them. Like *Almirol and Heirs of Alido*, the case at bar involves an executed unwritten sale of real property where the seller delivered the muniments of title and possession of the property to the buyer upon payment of the purchase price. Still akin to *Almirol*, delivery of title and possession was made after partial payment of the purchase price, with the seller passing away thereafter. However, in *Almirol*, it was proven that the buyer eventually paid the full price to a person authorized to receive payment, after the seller's demise.[73] Here, when Marcos passed away, Benedicto paid the balance of the purchase price to Marcelo because the latter was Noblesa's de facto guardian; however, there is no other evidence or circumstance on record, written or otherwise, to show Marcelo's express or implied authority to receive the installment payments on behalf of Marcos or his heirs. Benedicto and Daisy admitted as much when they testified that Noblesa and Ernesto were the only persons capacitated to execute a written deed of sale over the lot, and concomitantly, to receive any payments for such sale:

19. Na, hindi naman nagawaan ng "Deed of Absolute Sale" ni Marcelo Batara ang lupa sa aming kapakanan, ay dahil sa hindi siya tiga-pagmana ni Marcos Batara, kaya[']t ang payo sa amin ng abogado ay hintayin magkaedad sina Noblesa Batara at Ernesto Batara upang ang "Extra-Judicial Partition with Sale" ay magawa;

20. Na, si Atty. Alejandro Evangelista pa noong nabubuhay pa, ang nagpayo na kailangang sina Noblesa Batara at Ernesto Batara ang pipirma, subalit maysakit pa naman noon si Marcelo Batara na nakakaalam ng totoong bilihan sa lupa hanggang sa nakaligtan ng maisagawa ang "Extra-Judicial Partition with Sale;"[74]

15.

T – Pagkatapos na mamatay si Marcos Batara, may hulugan bang natitira pa?

S – Mayroon po.

16.

T – Sino ang tumanggap ng hulihan?

S – Si Marcelo Batara, po.

17.

T – Kaano-ano ni Marcos Batara si Marcelo Batara?

S – Magkapatid po sila.

18.

T – Bakit kay Marcelo Batara ninyo ibinibigay ang hulugang-bayad, pagkamatay ni Marcos Batara?

S – Dahil siya na po ang tumatayong mga magulang nina Ernesto Batarra at Noblesa Batarra nang mamatay ang kanilang ama na si Marcos Batarra.

19.

T – May naisagawa bang "Deed of Absolute Sale" pabor sa inyo si Marcelo Batarra?

S – Wala din po.

20.

T – Bakit wala din?

S – Dahil sabi ng mga nakakaalam ng batas, ang mga anak na lang ni Marcos Batara ang lalagda at gagawa ng "Deed of Absolute Sale" pagdating ng panahon.[75]

Marcelo's de facto guardianship over Noblesa did not give him the power or authority to sell the latter's property because guardians, whether in fact or in law, have no power to dispose of or encumber their wards' properties without a court order.[76] More importantly, records show that Ernesto attained majority in 1981,[77] and was therefore legally capacitated to receive both the 1982 and 1985 payments that were remitted to Marcelo.

Cembrano v. City of Butuan[78] explains the effect of payment to an unauthorized person:

Payment made by the debtor to the person of the creditor or to one authorized by him or by the law to receive it extinguishes the obligation. When payment is made to the wrong party, however, the obligation is not extinguished as to the creditor who is without fault or negligence even if the debtor acted in utmost good faith and by mistake as to the person of the creditor or through error induced by fraud of a third person.

In general, a payment in order to be effective to discharge an obligation, must be made to the proper person. Thus, payment must be made to the obligee himself or to an agent having authority, express or implied, to receive the particular payment. Payment made to one having apparent authority to receive the money will, as a rule, be treated as though actual authority had been given for its receipt. Likewise, if payment is made to one who by law is authorized to act for the creditor, it will work a discharge. The receipt of money due on a judgment by an officer authorized by law to accept it will, therefore, satisfy the debt.[79]

Noblesa and Ernesto thus correctly point out that the payments to Marcelo are ineffective, for Benedicto should have remitted the payments to them when they attained majority. Instead, Benedicto remitted the rest of the payments to Marcelo and kept Marcos's heirs in the dark about the lot and the sale thereof. Worse, Benedicto never heeded the lawyer's advice even after Noblesa asked him to repurchase the lot in 2007. As the ineffective payments made to Marcelo did not extinguish their obligation to pay the purchase price to Marcos and his heirs, Benedicto and Daisy must pay the balance to Noblesa and Ernesto.

The records show that: 1) Benedicto only paid PHP 3,000.00 of the total PHP 40,000.00 purchase price to Marcos; 2) Benedicto and Daisy assumed possession of the lot in 1982; and 3) Benedicto and Marcos did not stipulate any terms or conditions for the sale apart from the purchase price and its payment through installments. Under Article 1497 of the Civil Code, the object of a sale contract is deemed delivered when it is placed in the control and possession of the vendee, in this case, the year 1982. Article 1589 of the same Code further provides that the buyer shall owe interest for the period between delivery of the thing and payment of the purchase price if

the thing sold and delivered produced fruits or income. The law imposes interest on the unpaid purchase price to prevent unjust enrichment of buyers who enjoy the fruits of the thing sold without fully complying with their obligation to pay the purchase price.[80] Here, Benedicto and Daisy testified that upon taking possession, they cleared the lot and planted crops thereon.[81] They further claim having "receiv[ed] the agricultural fruits thereof for forty (40) years or more uninterrupt[ed]ly." [82] Applying guideline B.1. of Our ruling in *Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*, [83] Benedicto and Daisy must pay the balance of the purchase price, in the amount of PHP 37,000.00, with interest at the legal rate, reckoned from the end of the year when they took possession of the lot, in accordance with Article 1589(2) of the Civil Code, until full payment of the purchase price.[83] The interest due on the unpaid balance shall also earn interest at the legal rate from the same date until full payment, as the judgment award is considered a forbearance of credit during such time.[84] Upon full payment of the purchase price, Noblesa and Ernesto must fully implement the contract entered into by their father by executing a deed of sale in favor of Benedicto.

ACCORDINGLY, the petition is GRANTED. The September 27, 2019 Decision and the February 5, 2021 Resolution of the Court of Appeals in CA--G.R. SP. No. 156620 are REVERSED and SET ASIDE. Petitioners Benedicto Batara Ocampo and Daisy Garcia-Ocampo are hereby ORDERED to PAY respondents Noblesa Batara-Sapad and Ernesto C. Batara the sum of PHP 37,000.00 plus interest at the legal rate of 12% per annum from December 31, 1982 until June 30, 2013, and 6% per annum from July 1, 2013 until full payment. The interest due on the purchase price shall likewise earn interest at the legal rate of 12% per annum from December 31, 1982 until June 30, 2013, and 6% per annum from July 1, 2013 until full payment. Upon full payment by petitioners Benedicto Batara Ocampo and Daisy Garcia-Ocampo of the amount due as decreed in this Decision, respondents Noblesa Batara-Sapad and Ernesto C. Batara are hereby ORDERED to EXECUTE a deed of sale over the parcel of land covered by Transfer Certificate of Title No. NT-41863.

SO ORDERED.

Caguioa (Chairperson), Inting, and Dimaampao, JJ., concur.
Singh, [**] J., on leave.

[*] Respondents' surname is also spelled in the records as "Batarra."

[**] On leave.

[1] Rollo, pp. 10-53.

[2] Id. at 55-64. Penned by Associate Justice Louis P. Acosta and concurred in by Associate Justices Apolinario D. Bruselas, Jr. and Nina G. Antonio-Valenzuela of the Seventh Division, Court of Appeals, Manila.

[3] Id. at 66-69. Penned by Associate Justice Louis P. Acosta and concurred in by Associate Justices Apolinario D. Bruselas, Jr. and Nina G. Antonio-Valenzuela of the Former Seventh Division, Court of Appeals, Manila.

[4] Also referred to in the records as "Marcos Batarra."

[5] Rollo, pp. 77. Complaint.

[6] CA rollo, pp. 116-117. Copy of Transfer Certificate of Title No. NT-41863.

[7] Rollo, p. 125. Certificate of Death of Marcos Batara.

[8] Id. at 95 & 127. Stipulations of Fact in Pre-Trial Order dated November 22, 2013 in Civil Case No. (13) 3964, Municipal Trial Court in Cities, San Jose, Nueva Ecija, Branch 1; Certificate of Live Birth of Ernesto Cannaway

Batara.

[9] Id. at 116. Judicial Affidavit, Noblesa Batara Sapad, May 8, 2013.

[10] Id. at 116-117, 133-134. Judicial Affidavit, Noblesa Batara Sapad, May 8, 2013; Order of Payment for Real Property Tax Basic and SEF Taxes dated July 18, 2007; Notice of Delinquent Real Property Taxes dated July 18, 2007 received on August 2, 2007.

[11] Id. at 114 & 117. Judicial Affidavit, Noblesa Batara Sapad, May 8, 2013. Benedicto is the son of Marcos and Marcelo's sister. Id. at 140-141, Judicial Affidavit, Benedicto Batara Ocampo, June 15, 2013.

[12] Id. at 117-118.

[13] Id.

[14] Id.

[15] Id. at 118.

[16] Id. at 119.

[17] Id. at 76-80. Complaint.

[18] Id. at 138-141. Judicial Affidavit, Benedicto Batara Ocampo, June 15, 2013.

[19] Id. at 138-139.

[20] Id. at 140 & 157; CA rollo, p. 40. Judicial Affidavit, Benedicto Batara Ocampo, June 15, 2013; Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016; MTCC Decision.

[21] Id. at 158-159. Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016.

[22] Id. at 140 & 156. Judicial Affidavit, Benedicto Batara Ocampo, June 15, 2013; Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016.

[23] Id. at 140-141. Judicial Affidavit, Benedicto Batara Ocampo, June 15, 2013. According to Daisy, Marcelo passed away in 1995. Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016, id. at 160.

[24] Id. at 159, 168. Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016; Supplemental Judicial Affidavit, Benedicto Batara Ocampo, March 10, 2014.

[25] Id. at 144-150.

[26] CA rollo, pp. 35-36. Penned by Presiding Judge Analie C. Aldea-Arocena of Branch 1 of the Municipal Trial Court in Cities, San Jose, Nueva Ecija.

[27] Id. at 46.

[28] Id. at 43-46.

[29] Id. at 43-44.

[30] Id. at 47-52.

[31] Id. at 49-50.

[32] Id. at 50-52.

[33] Id. at 10-32.

[34] Id. at 60-63. CA Decision.

[35] Id. at 62.

[36] CA rollo, p. 231. Motion for reconsideration.

[37] Id. at 232-233.

[38] Rollo, pp. 66-69.

[39] Id. at 34.

[40] Id. at 28-31.

[41] Id. at 35.

[42] Id. at 36-39.

[43] Id. at 39-41.

[44] Id. at 41-46.

[45] Id. at 47-49.

[46] Id. at 532-534.

[47] Id. at 534-536, 538-539.

[48] Id. at 539-540.

[49] *Heirs of Yusingco v. Busilak*, 824 Phil. 454, 461 (2018) [Per J. Peralta, Second Division].

[50] RULES OF COURT, Rule 45, sec. 1. See also *Millar v. Nadres*, 74 Phil. 307 (1943) [Per J. Moran, First Division].

[51] *Almazan v. Bacolod*, 904 Phil. 355, 362 (2021) [Per J. Gaerlan, Third Division].

[52] *Sarion v. People*, 899 Phil. 346, 355 (2021) [Per J. Gaerlan, Third Division].

[53] *Baleares v. Espanto*, 832 Phil. 963, 970 (2018) [Per J. Velasco Jr., Third Division]; *Abijuela v. Dolosa*, 110 Phil. 436, 439-440 (1960) [Per J. Padilla, En Banc]; *Jacinto v. Jacinto*, 105 Phil. 1218, 1226 (1959) [Per J. Barrera, En Banc]; *Millar v. Nadres*, 74 Phil. 307 (1943) [Per J. Moran, First Division].

[54] *Medina v. Mayor Asistio, Jr.*, 269 Phil. 225, 232 (1990) [Per J. Bidin, Third Division], citing *Salazar v. Gutierrez, et al.*, 144 Phil. 233, 239 (1970) [Per J. Makalintal, En Banc] and *De La Cruz v. Sosing*, 94 Phil. 26, 28 (1953) [Per J. Bautista Angelo, En Banc].

[55] *Carbonnel v. Poncio, et al.*, 103 Phil. 655, 660 (1958) [Per J. Concepcion, En Banc].

[56] *Hawaiian Philippine Co. v. Hernaez*, 45 Phil. 746, 749-750 (1924) [Per J. Malcolm, First Division]. See also *Hernandez v. Andal*, 78 Phil. 196, 203-204 (1947) [Per J. Tuason, En Banc]; *Estate of Gonzales v. Heirs of Perez*, 620 Phil. 47, 60-62 (2009) [Per J. Peralta, Third Division].

[57] *Purissima v. Purissima*, 890 Phil. 637, 648-649 [Per J. Hernando, Third Division], citing *Iñigo v. Estate of Maloto*, 128 Phil. 279, 281-282 (1967) [Per J. Sanchez, En Banc].

[58] *Aliguyon v. Dummang*, G.R. No. 259469, August 30, 2023 [Per J. J.Y. Lopez, Second Division].

[59] 48 Phil. 67 (1925) [Per J. Romualdez, En Banc].

[60] SECTION 335. Agreements Invalid Unless Made in Writing. — In the following cases an agreement hereafter made shall be unenforceable by action unless the same, or some note or memorandum thereof, be in writing, and subscribed by the party charged, or by his agent; evidence, therefore, of the agreement cannot be received without the writing, or secondary evidence of its contents:

- An agreement that by its terms is not to be performed within a year from the making thereof;
- A special promise to answer for the debt, default, or miscarriage of another;
- An agreement made upon the consideration of marriage other than a mutual promise to marry;
- An agreement for the sale of goods, chattels, or things in action, at a price not less than one hundred pesos, unless the buyer accept and receive part of such goods and chattels, or the evidences, or some of them, of such things in action, or pay at the time some part of the purchase money; but when a sale is made by auction and entry is made by the auctioneer in his sales book, at the time of the sale, of the amount of property sold, terms of sale, price, names of the purchasers, and person on whose account the sale is made, it is a sufficient memorandum;
- An agreement for the leasing for a longer period than one year, or for the sale of real property, or of an interest therein, and such agreement, if made by the agent of the party sought to be charged, is invalid unless the authority of the agent be in writing and subscribed by the party sought to be charged;
- No evidence is admissible to charge a person upon a representation as to the credit of a third person, unless such representation, or some memorandum thereof, be in writing, and either subscribed by or in the writing of the party to be charged.

[61] *Id.* at 69-70.

[62] 858 Phil. 209 (2019) [Per J. J.C. Reyes, Jr., Second Division].

[63] *Id.* at 224. Alido acquired the parcel in question by free patent; and the Public Land Act prohibits the sale of lands acquired by free patent within five years from the issuance of the patent.

[64] *Id.* at 221- 222.

[65] See also *Purisima v. Purisima*, 890 Phil. 637, 648-649 [Per J. Hernando, Third Division]; *Heirs of Godines v. Demaymay*, 905 Phil. 883 (2021) [Per J. Hernando, Third Division].

[66] Rollo, pp. 137-140. Judicial Affidavit, Benedicto Batara Ocampo, March 10, 2014.

[67] *Id.* at 156-157, 159. Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016.

[68] *Id.* at 101-102. Sinumpaang Salaysay, Benedicto B. Ocampo, December 21, 2012.

[69] *Id.* at 152-153, 164-165. Judicial Affidavit, Joseph Pablo, November 20, 2015; Judicial Affidavit, Lourdes Ocampo Aujero, July 2, 2017.

[70] "... [A]lmost all testimonies are self-serving... Self-serving statements are inadmissible because the adverse party is not given the opportunity for cross-examination, and their admission would encourage fabrication of testimony. This cannot be said of a party's testimony in court made under oath, with full opportunity on the part of the opposing party for cross-examination." *People v. Omictin*, 639 Phil. 622, 632 (2010) [Per J. Velasco, Jr., First Division].

[71] Rollo, pp. 123-124. Noblesa filed and prosecuted the suit on behalf of Ernesto through a special power of attorney.

[72] *Id.* at 117-118. Judicial Affidavit, Noblesa Batara Sapad, May 8, 2013.

[73] *Almirol v. Monserrat*, 48 Phil. 67, 69-70 (1925) [Per J. Romualdez, En Banc].

[74] Rollo, p. 104. Sinumpaang Salaysay, Benedicto B. Ocampo, December 21, 2012.

[75] *Id.* at 157-158. Judicial Affidavit, Daisy Garcia Ocampo, September 12, 2016.

[76] *De Pua v. San Agustin*, 193 Phil. 213, 224 (1981) [Per J. Barredo, Second Division]; *Bautista v. Bustos*, 92 Phil. 327, 329-330 (1952) [Per J. Labrador, En Banc].

[77] Rollo, p. 127. Ernesto's birth certificate shows that he was born on August 24, 1960; and under Article 402 of the then-applicable Civil Code, majority commences at the age of 21.

[78] 533 Phil. 773 (2006) [Per J. Callejo, Sr., First Division].

[79] *Id.* at 790-791.

[80] 10 JOSE MARIA MANRESA Y NAVARRO, COMENTARIOS AL CODIGO CIVIL ESPANOL 268-269 (2nd ed., 1908).

[81] Rollo, pp. 85, 102, 140, 156. Answer, Sinumpaang Salaysay of Benedicto Ocampo, and Judicial Affidavits of Benedicto B. Ocampo and Daisy Garcia Ocampo.

[82] *Id.* at 98. Position Paper before the MTCC.

[83] 929 Phil. 754, 780 (2022) [Per SAJ. Leonen, En Banc]

[83] CIVIL CODE, art. 1589(2), in relation to *Tropical Homes, Inc. v. Court of Appeals*, 338 Phil. 930, 945 (1997) [Per J. Romero, Second Division], *Crismina Garments, Inc. v. Court of Appeals*, 363 Phil. 701, 709 (1999) [Per J. Panganiban, Third Division].

[84] *Tropical Homes, Inc. v. Court of Appeals*, *id.*, citing *Eastern Shipping Lines, Inc. v. Court of Appeals*, 304 Phil. 236, 253-254 (1994) [Per J. Vitug, En Banc]; *Nacar v. Gallery Frames, et al.*, 716 Phil. 267, 282-283 (2013) [Per J. Peralta, En Banc]; *Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*, 929 Phil. 754, 780 (2022) [Per SAJ. Leonen, En Banc].

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