

BERLIN TAGUBA AND SEBASTIANA DOMINGO, SPOUSES PEDRO ASUNCION AND MARING ASUNCION, PETITIONERS, VS. MARIA PERALTA VDA. DE DE LEON AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

G.R. No. 59980. October 23, 1984

Ponente: CUEVAS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-59980/>

CUEVAS, J.:

This is a Petition to Review on Certiorari, the decision of the defunct Court of Appeals in its CA-G.R. No. 65357-R which reversed on appeal the decision of the then Court of First Instance of Isabela in Civil Case No. Br. II-1215, entitled "Maria Peralta Vda. de De Leon, versus Berlin Taguba and Sebastiana Domingo" for "Specific Performance with Preliminary Mandatory Injunction with Damages".

Berlin Taguba married to Sebastiana Domingo (now petitioner) is the owner of a residential lot with an area of 3,129 square meters located at Cauayan, Isabela. Spouses Pedro Asuncion and Marita Lungab, (also petitioners) and herein private respondent Maria Peralta Vda de De Leon, were separately occupying portions of the aforementioned lot as lessees.

On August 27, 1972, Berlin Taguba sold a portion of the said lot consisting of 400 square meters to private respondent Maria Peralta Vda de De Leon. The portion sold comprises the area occupied by the Asuncions and private respondent Vda de De Leon. The deed evidencing said sale was denominated as "Deed of Conditional Sale"[1], the only salient terms and conditions of which reads -

"NOW THEREFORE, for and in consideration of the sum of Eighteen Thousand (P18,000.00) Pesos, Philippine Currency, (P45.00 per sq. m.) to be paid in the manner hereinbelow specified, the VENDOR hereby SELL, CEDE, TRANSFER, and CONVEY unto and in favor of the VENDEE, her heirs, executors, administrators or assigns the above-described portion. The aforesaid sum of P18,000.00 shall be paid at the residence of the VENDOR as follows:

- a) P3,500.00 Philippine Currency upon the signing and execution of this contract;
- b) To pay the amount of at least One Thousand (P1,000.00) Pesos, Philippine Currency MONTHLY to commence September 1972, until the whole amount would have been paid on or before December 3, 1972;
- c) That failure to pay the VENDOR the whole balance on December 31, 1972, the VENDEE shall be given an extension of Six (6) months with interest (legal rate) after which VENDOR may INCREASE the purchase price to P50.00 per sq. m. which the VENDEE agrees should she fail to pay within said period of time."

Alleging that she (private respondent) had already paid the sum of 12,500.00 and had tendered payment of the balance of P5,500.00 to complete the stipulated purchase price of P18,000.00 to petitioner Berlin Taguba in May 1973 within the grace period but the latter refused to receive payment; and that since negotiations for settlement with the intervention of Governor Dy failed, private respondent instituted on April 29, 1976 a complaint for

Specific Performance with Preliminary Mandatory Injunction with Damages against Spouses Berlin Taguba and Sebastiana Domingo, in the then Court of First Instance of Isabela (Civil Case No. II-1215.)

In their Answer, Spouses Taguba admitted the sale of the property, but claimed that private respondent failed to comply with her obligation under the Deed of Conditional Sale despite the several extensions granted her, by reason of which petitioner was compelled but with the express knowledge and consent and even upon the proposal of private respondent, to negotiate the sale of a portion of the property sold, to the Spouses Asuncion who were actually in possession thereof. Petitioner further alleged that the parties had appeared before Governor Dy, who mediated to settle the dispute between them and that in the said conference, they had agreed that private respondent and the Asuncion spouses will buy only the portions which they respectively and actually occupy as lessees.

The Asuncion spouses intervened and filed their Answer in Intervention alleging that they bought in good faith that portion of the land they actually occupy after private respondent defaulted in her undertaking in their contract with petitioner Berlin Taguba and after a confrontation in the house of Governor Faustino N. Dy.

After trial, the lower court rendered judgment, the dispositive portion of which reads as follows -

- "1) Ordering a cadastral survey by a competent Geodetic Engineer of the actual area occupied by the plaintiff and the intervenors;
- 2) Ordering the defendant Berlin Taguba to execute a deed of absolute sale in favor of the plaintiff of the actual area actually occupied by her;
- 3) Ordering Berlin Taguba to reimburse the plaintiff of whatever amount he received from the plaintiff in excess of the costs of the area actually occupied by plaintiff at P45.00 per square meter;
- 4) The cost of survey shall be borne by the plaintiff and intervenor share and share alike;
- 5) The order granting preliminary injunction against plaintiff dated July 13, 1978 is hereby declared permanent.

Without special pronouncement as to costs.

SO ORDERED."

On appeal under CA-G.R. No. 65357-R, the then Court of Appeals reversed the decision of the lower court in a decision promulgated on October 22, 1981, the dispositive portion of which reads as follows -

"WHEREFORE, the decision of the lower court is hereby SET ASIDE and a new judgment rendered as follows:

- 1) Ordering defendant Berlin Taguba to execute a deed of absolute sale in favor of plaintiff over the 400 square meter portion of his property described in Exhi-bit "A" upon the payment by plaintiff of the sum of P7,500.00 within thirty (30) days from receipt of notice from the Clerk of Court of the lower court of receipt of the records of the case from the Court of Appeals as provided for in the last paragraph of Section 1, Rule 39 in relation to Section 11, Rule 51 of the Rules of Court;
- 2) Declaring the deed of sale executed by defendant Taguba in favor of defendant Asuncion in April 19, 1974, Exhibit '3' null and void or of no force and effect in view of the prior sale of the property covered under said deed to plaintiff on August 27, 1972 Exhibit 'A';
- 3) Ordering defendant Berlin Taguba to reimburse defendant Pedro Asuncion the purchase price received by him under the deed of sale of April 19, 1974, Exhibit "3", and

4) Ordering defendants jointly and severally to deliver to plaintiff possession of the property described in Exhibit "A" with an area of 400 square meters, the portion sold by defendant Taguba to plaintiff.

With costs against defendants-appellees.

SO ORDERED."

The motion for reconsideration of the aforesaid decision filed by petitioner Spouses Taguba and Spouses Asuncion having been denied, they now come before this Court through the instant petition praying that the decision of the then Court of Appeals be set aside and the decision of the lower court be affirmed in toto.

The petition is without merit.

We agree with respondent Court of Appeals (now Intermediate Appellate Court) that the contract of sale between petitioner Berlin Taguba and private respondent Maria Peralta Vda. de De Leon[2] was absolute in nature. Despite the denomination of the deed as a "Deed of Conditional Sale" a reading of the conditions (earlier quoted in this decision) therein set forth reveals the contrary. Nowhere in the said contract in question could we find a proviso or stipulation to the effect that title to the property sold is reserved in the vendor[3] until full payment of the purchase price. There is also no stipulation giving the vendor (petitioner Taguba) the right to unilaterally rescind the contract the moment the vendee (private respondent de Leon) fails to pay within a fixed period.[4] Indeed, a reading of the contract in its entirety would show that the only right of petitioner Taguba as vendor was to collect interest at the legal rate if private respondent-vendee fails to pay the full purchase price of P18,000.00 up to December 31, 1972 and to increase the price from P45.00 to P50.00 per square meter if vendee still fails to pay within the six-months grace period from December 31, 1972. Thus Par. C of the deed provides -

"c) That failure to pay the VENDOR the whole balance on De-cember 31, 1972, the VENDEE shall be given an extension of six (6) months with interest (legal rate) after which VENDOR may INCREASE the purchase price to P50.00 per sq. m. which the VENDEE agrees should she fail to pay within said period of time."

Considering, therefore, the nature of the transaction between petitioner Taguba and private respondent, which We affirm and sustain to be a contract of sale, absolute in nature[5] the applicable provision is Article 1592 of the New Civil Code, which states -

"Art. 1592. In the sale of immovable property, even though it may have been stipulated that upon failure to pay the price at the time agreed upon the rescission of the contract shall of right take place, the vendee may pay, even after the expiration of the period, as long as no demand for rescission of the contract has been made upon him either judicially or by notarial act. After the demand the court may not grant him a new term." (Italics supplied)

In the case at bar, it is undisputed that petitioner Taguba never notified private respondent by notarial act that he was rescinding the contract, and neither had he filed a suit in court to rescind the sale.

Finally, it has been ruled that "where time is not of the essence of the agreement, a slight delay on the part of one party in the performance of his obligation is not a sufficient ground for the rescission of the agreement.[6] Considering that in the instant case, private respondent had already actually paid the sum of P12,500.00 of the total stipulated purchase price of P18,000.00 and had tendered payment of the balance of P5,500.00 within the grace period of six months from December 31, 1972, equity and justice mandate that she be given additional period within which to complete payment of the purchase price.[7]

With respect to the sale executed by petitioner Taguba in favor of the other petitioners, the Asuncion spouses, on April 19, 1974 of 233 square meters portion of his property which is a part of the 400 square meters previously

sold to private respondent de Leon, We find that said sale cannot prevail over the previous sale in favor of private respondent. The Asuncion spouses cannot be considered buyers in good faith because they were aware of the earlier sale to private respondent.[8]

WHEREFORE, the judgment of respondent Appellate Court is hereby AFFIRMED with costs against petitioners.

SO ORDERED.

Makasiar (Chairman), Guerrero, Abad Santos, and Escolin, JJ., concur.

Aquino, J., in the result, Mrs. Peralta is entitled to purchase 360 sq. m. at P50 per sq. m. in accordance with par (c). She did not pay interest.

Concepcion, Jr., J., no part.

[1] Exh. A, Exh. 1.

[2] Exh. A, Exh. 1.

[3] Luzon Brokerage Co. Inc. vs. Maritime Building Co. Inc., 86 SCRA 305.

[4] Torralba vs. de los Angeles, 96 SCRA 69.

[5] Villaruel vs. Tan Ching, 43 Phil. 251.

[6] Gregorio Araneta Inc. vs. Tuason de Paterno, L-2886, August 22, 1962; Villanueva vs. Yulo, L- 12985, December 29, 1959; Biendo vs. Embestro, L-11919, July 27, 1959.

[7] J.M. Tuason & Co., Inc. vs. Javier, 31 SCRA 829; Legarda Hermanos vs. Saldaña, 55 SCRA 324.

[8] Conde vs. Court of Appeals, 119 SCRA 245; Caram, Jr. vs. Laureta, 103 SCRA 7.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.