

**PIO L. PADILLA, PETITIONER, VS. COURT OF APPEALS,
FARMWEALTH INDUSTRIAL CORPORATION AND MANILA DIESEL
PARTS SUPPLY CO., INC., RESPONDENTS.**

G.R. No. 75577. January 29, 1988

Ponente: PARAS, J.

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PARAS, J.:

Before Us is a petition for certiorari to review the decision[1] of the Court of Appeals in affirming the judgment[2] of the lower court which found for the defendants (private respondents herein) by dismissing the complaint of the plaintiff (petitioner herein) and ordering the latter to pay attorney's fees of the defendants in the amount of P5,000.00 and costs of the suit.

Petitioner Pio L. Padilla claims ownership over a parcel of land situated at Cabcabén, Mariveles, Bataan, consisting of 16 hectares known as Lot 326 covered by Original Certificate of Title No. 530 as his inheritance, being the only surviving heir of spouses Balbino Padilla and Juana Adrados. The records of the case show that Balbino Padilla and family (wife Juana Adrados and five children namely: Segunda, Lucia, Maximo, Luis and Pio) arrived at Bo. Cabcabén, Mariveles and stayed for about a year in the barrio proper. They moved to a place along the mountain range known as sitio "Babuyan" where they cleared a patch of land planting various crops. Based on a homestead patent application over said land, Decree 35751 was issued on May 22, 1935 and later Original Certificate of Title No. 530, on December 18, 1935 in the name of the Heirs of Balbino Padilla. This parcel of land is known as Lot No. 326 Mariveles Cadastre and is now the subject matter of this litigation. Petitioner disavows the claim of Magdalena Padilla and Feliciano Padilla that they, being the rightful heirs of Balbino Padilla, have the authority to sell the land in question to private respondents as evidenced by a Deed of Absolute Sale, dated March 19, 1964 (Exh. "D"). By virtue of such Deed of Sale Original Certificate of Title No. 530 was cancelled and Transfer Certificate of Title No. T-14168 in the name of Manila Diesel Parts Supply Co., Inc. was issued. Subsequently, it was transferred to Farmwealth Industrial Corporation and pursuant thereto TCT No. T-14168 was cancelled and Transfer Certificate of Title No. T-58061 was issued in the name of Farmwealth Industrial Corporation. Upon knowledge of such transaction in March 1973 petitioner filed the complaint with the lower court which was dismissed in favor of private respondents. Petitioner appealed to the respondent appellate court with the following:

"ASSIGNMENT OF ERRORS"

I.

THE TRIAL COURT ERRED IN NOT GIVING THE CORRECT SIGNIFICANCE TO EXHIBITS "U" AND "V" AS THEY RELATE TO EXHIBIT "D".

II.

THE TRIAL COURT ERRED IN GIVING WEIGHT AND CONSIDERATION TO THE FALSE TESTIMONIES OF MAGDALENA PADILLA AND FELICISIMO PADILLA.

III.

THE TRIAL COURT ERRED IN GIVING WEIGHT AND CONSIDERATION TO DEFENDANTS' EXHIBITS "18" AND "19" WHICH ARE SPURIOUS DOCUMENTS.

IV.

THE TRIAL COURT ERRED IN GIVING WEIGHT AND CONSIDERATION TO THE HEARSAY TESTIMONIES OF BASILIA PADILLA AND DAVID PADILLA.

V.

THE TRIAL COURT ERRED IN NOT GIVING WEIGHT AND CONSIDERATION OF THE IMPARTIAL TESTIMONY OF THE REGISTER OF DEEDS FOR BATAAN -- ATTY. BIENVENIDO BASCARA.

VI.

THE TRIAL COURT ERRED IN NOT GIVING WEIGHT AND CONSIDERATION TO THE CONTINUOUS, OPEN, UNINTERRUPTED AND PUBLIC POSSESSION OF THE PROPERTY BY PLAINTIFF PIO L. PADILLA WHICH IS MORE THAN SEVENTY (70) YEARS.

VII.

THE TRIAL COURT ERRED IN FINDING THAT LEONILA PADILLA, HERMINIA PADILLA AND JUVENAL PADILLA ARE CHILDREN OF THE DECEASED BALBINO PADILLA.

VIII.

THE TRIAL COURT ERRED IN GRANTING THE SUM OF P5,000.00 TO THE DEFENDANT-APPELLEE AS AND FOR ATTORNEY'S FEES. (pp. 12-13, Rollo)

Finding no merit in the appeal, respondent court rendered a decision, with the pertinent provision reading as follows:

"On the whole, We find no merit in this appeal.

"There is no question that the original owner of the land in question was Balbino Padilla and that upon the latter's death, the same was inherited by his heirs. The only issue We are asked to resolve is who are the heirs of Balbino Padilla, entitled to own (and convey) the land? Plaintiff has failed to present sufficient evidence that he is indeed a son and sole surviving heir of the late Balbino Padilla. In fact, plain-tiff categorically stated that he has no documentary evidence to prove that his father was Balbino Padilla. Even his very own children, Basilia and David, testified that their father is a younger brother of Balbino Padilla, and not a son. This Court agrees with the trial court's find-ing that the testimony of the two children are (sic) very significant as they are de-clarations against their own interest and in the absence of any finding that the relationship between father and children were (sic) estranged or not harmonious, they carry great weight.

"On the other hand, witnesses for the defendants (and the latter's vendees), Magdalena and Felicisimo, both surnamed Padilla claimed and proved by documentary evidence that Balbino Padilla was their father.

"As such, being the children and heirs of Balbino Padilla, Magdalena, Felicisimo and the heirs of deceased Felicisimo Padilla, have the right to and can validly sell the land to defendant herein.

"As a whole, We find no cause or reason to disturb the findings of facts and conclu-sions of the trial court and We adopt them as they form part of the record.

"WHEREFORE, finding no reversible error in the decision appealed from, the same (sic) is hereby AFFIRMED with costs against the plaintiff-appellant.

"SO ORDERED." (pp. 25-26, Rollo)

Petitioner now appeals to Us by certiorari alleging that the appellate court committed grave abuse of discretion in

the appreciation of the true facts as borne out by the evidence on record, and failed to apply the correct law on the facts as proved. Petitioner presents to Us the same errors raised in the Court of Appeals in his appeal from the trial court.

There are two conflicting versions presented by the parties.

Petitioner's evidence consists of his own oral testimony in open court that he is the son of Balbino Padilla the registered owner of the land in question and Juana Adrados. He has failed to present any documentary evidence because his record of birth and church record were destroyed during the Second World War. He does not have any school or employment record because he did not go to school and he was never employed in any public or private enterprise. Two witnesses who had been residing in Cabcaban since their birth, namely Catalina Nunez born sometime in 1904 and Victor Madriaga born sometime in 1897, testified that they knew spouses Balbino Padilla and Juana Adrados, (popularly known as "Juanang Kulam" in their community) and their children who were actually residing in the land in question, and that petitioner Pio Padilla is the only surviving child of Balbino Padilla who stayed with him in the land in question until the latter's death in 1923 and continued to stay therein up to the present.

Respondents presented Magdalena Padilla who testified that she was born in Cavite on January 1, 1915 (tsn, March 16, 1979, p. 3),^[3] with her testimony supported by her birth certificate showing that her parents were a certain Balbino Padilla and Teofista Broas. They also presented the derogatory testimonies of David and Basilia Padilla, children of petitioner Pio Padilla, that their father Pio allegedly told them that he is a younger brother of Balbino Padilla which testimonies were heavily relied upon by the appellate court in affirming the judgment of the lower court. The appellate court found the witnesses' declarations against the interest of their own father very much worthy of credence.

We do not share the same conclusions reached by the appellate court. After a painstaking review of the evidence on record important factors were revealed that We cannot just ignore if a fair and justifiable conclusion is to be arrived at. It bears emphasis that factual findings or conclusions of the appellate court are not conclusive on this court, such as when, 1) if the conclusion is shown to be the result of speculation, surmise or conjecture; 2) if the inference made is manifestly absurd, mistaken or impossible; 3) if there is grave abuse of discretion in the appreciation of facts; 4) if the judgment is premised on a misapprehension of facts; 5) if the findings of facts are conflicting; 6) if the court went beyond the issues of the case in making its findings and the same is contrary to the evidence admitted by the parties. Or stated differently, finding of facts of the appellate court not supported by substantial evidence are not beyond our power of review. That the decision of the appellate court is sadly lacking in substantial evidence is shown by the following testimonies of the witnesses:

Petitioner Pio Padilla testified in open court that he is the son of the spouses Balbino Padilla and Juana Adrados; that he arrived in Cabcaban in the company of his parents, brothers and sisters when he was a very young boy; that his father was the "Balbino Padilla" who cleared the parcel of land in question and who applied for its registration and in whose name the land was registered under Original Certificate of Title No. 530; that he has no sister by the name of Magdalena Padilla nor a brother by the name of Felicísimo Padilla; that the records of births and church records in Mariveles, Bataan were completely destroyed during World War II; that he did not go to school; that he did not enlist in the armed forces; that he did not have any employment either in the government or in any private enterprise; that he was unable to find a document on his birth; that he and his own family lived on the land in question for the past eighty (80) years and still live on the land until this day. He testified further that he and his father Balbino Padilla were the ones who cleared the land in question; that when his father Balbino and his mother died, he continued to cultivate the land and plant fruit-bearing trees thereon and that he has lived continuously on the land since he was a small young boy (tsn, Padilla, November 16, 1977, pp. 15-16, *Ibid.*,

December 1, 1977, pp. 4-5).

Pio Padilla denied that Magdalena, Felicisimo, Leonida, Juvenal, Herminia all surnamed Padilla are his sisters and brothers. His testimony on this matter was corroborated by the two witnesses, Victor Madriaga and Catalina Nunez, who denied having known or seen them (vendors of the land in question) living on the land in question or that they have ever lived in Cabcaben, Mariveles, Bataan.

Victor Madriaga testified that he was born in Cabcaben, Mariveles and had lived there all his life. He claimed before the trial court that he does not know his correct age but the court observed that he looks about 83 years old when he testified in September 1978 (tsn, Madriaga, September 13, 1978, pp. 5-9). He testified that he had known Pio Padilla for the past 70 years or so because they both lived in Cabcaben for that length of time and up to the present time they are still living in Cabcaben. Under rigid examination by the Court, Madriaga narrated the events in the lives of the Padillas; from the time of their arrival in Cabcaben; when they moved to the mountains and cleared the land in question as their "kaingin"; through the deaths in the family and until the present time. When asked by the Court whether he had previously testified in any Court, Madriaga answered that that was his first time to testify in court (tsn, supra, p. 19).

Catalina Nunez, who claimed that she was born in 1904, likewise testified that she lived in Cabcaben all her life; that she came to know Pio Padilla when the latter arrived in Cabcaben sometime when she was still very young; that she was a playmate of the children of Balbino Padilla because they were neighbors in Cabcaben; that she knew Balbino Padilla and his wife, commonly known as Juanang "Kulam", as well as the children, namely: Segunda, Lucia, Luis, Vicente and Pio (petitioner herein). The family moved to a sitio of Cabcaben located near the mountain known as "Babuyan" and began to clear a parcel of land which land is now the subject of this litigation.

On the other hand, the testimonies of Magdalena Padilla and Felicisimo Padilla, witnesses for the private respondents, were so full of loopholes that they need careful scrutiny. For example, Magdalena's testimony under cross-examination was rather confusing, to wit:

"Q. Do you know where your brothers and sister were born?

"A.

We were all born in Malabon, Cavite.

"Q. And all of you lived there in the town of Malabon, Cavite, I mean your brothers and sisters?

"A. Before, we were living there in Malabon, Cavite, but later on transferred to Cabcaben.

"Q. When did you transfer to Cabcaben?

"A. About 1917.

(tsn, Magdalena, May 16, 1970, p. 7)

Continuing her testimony under cross:

"Q. You likewise testified previously that you were born in January 1915. Is it correct to say that your sister Asaya was born in 1917?

"A. Yes, sir.

"Q. Where was she born?

"A. Cabcaben at Babuyan.

"Q. How about your brothers Felicisimo and Feliciano, where were they born?

"A. Felicisimo was born in Bo. Babuyan, Cabcaben and Feliciano also."

(tsn, Magdalena, June 21, 1979, pp. 3-4; [pp. 35-36, Memorandum for the Petitioner])

When asked to explain her inconsistent statements, she blurted - "The truth is that I am the only one who was born in Malabon. They were all born here at Cab-caben." (tsn, supra, p. 5). She also claimed that her brothers are older than her and that they (her family) moved to Cabcaben from Cavite in 1917. She was born in 1915 before they moved to Cabcaben in 1917. There was no way therefore that her older brothers could have been born in Cabcaben, because they were supposed to be born before 1915. Ergo, she was not telling the truth.

Magdalena also testified that her family (her parents and siblings) left Cabcaben in 1923 and never came back except for one occasion in 1962, when she went there for a week and stayed at the house of a certain Alejandro Bueque (tsn, May 16, 1979, pp. 9-12). Based on such testimonies, We can only conclude that if this Magdalena Padilla is a child of a certain Balbino Padilla he was not the same Balbino Padilla who owned the land in question but a different one.

The other principal witness for private respondents, Felicisimo Padilla, a brother of Magdalena, testified that he is a resident of Cabcaben, Mariveles, Bataan but testified otherwise on cross-examination and admitted that he is in reality a resident of Carmona, Cavite since 1942 and that they have no more house in Cabcaben. He also admitted that his expenses in going to and from the court hearings in Bataan were all paid for by Mr. Gabriel Pascual, representative of private respondents Farmwealth Industrial Corporation and Manila Diesel Parts Supply Co., Inc. Apropos therefore to his claim of Balbino Padilla's (owner of the land in question) paternity over him. We found that the appellate court was not correct in saying that Felicisimo Padilla has "proved by documentary evidence that Balbino Padilla was (his) father" because there is no such documentary evidence in the records of the case to substantiate the claim and thus the conclusion reached by the appellate court in this respect was based merely on speculations, surmises and conjectures as there was no substantial evidence to support it.

The respondent appellate court capitalizes on the testimonies of Basilia and David, both surnamed Padilla,

children of petitioner Pio, that their father told them that he is a younger brother of Balbino Padilla. It ruled that such is a declaration against his (Pio) own interest and therefore can be taken against him. Such argument is untenable. The supposed declarant in this case is Pio Padilla who is not dead, not outside the Philippines and not unable to testify. Rule 130, Sec. 32 therefore of the Rules of Court of declaration against interest does not apply. Furthermore petitioner refutes such testimonies as hearsay and on rebuttal petitioner denied having told such things to Basilia and David. We also took cognizance of the manner Basilia addressed Magdalena Padilla whom she calls "Tiya Magdalena". (Padilla, tsn, July 18, 1979, pp. 6-7). Assuming her testimony to be true then Magdalena Padilla should be her cousin and not her aunt or "Tiya".

One very important factor which the appellate court erroneously overlooked is the testimony (tsn, Bascara, November 9, 1978, pp. 13-15) of the Register of Deeds for Bataan that the land intended to be conveyed in Exhibit "D" was Lot 328 of the Mariveles Cadastre - not Lot 326 which is the property in question. Exhibit "D" is the Deed of Sale dated March 19, 1964, conveying ownership of Lot 326 to respondent Manila Diesel Parts. As revealed by the testimony of witness Atty. Bascara, Register of Deeds for the Province of Bataan the parcel of land mentioned in Exhibit "D" is Lot 328, but what was transferred to the name of private respondents is Lot 326. There is actually a Lot 328 consisting of 16 hectares which adjoins Lot 326 as evidenced by Exhibit "T" offered by petitioner in the trial court. Atty. Bascara testified:

"Q. You were asked to bring with you original copy of OCT No. 530 for the Province of Bataan, do you have it with you?

"A. Yes, sir.

"Q. My question is, what lot or parcel of land is embraced in this specific Original Certificate of Title?

"A. That is found in the latter portion of the technical description, it is Lot No. 326 Mariveles Cadastre.

"Q. Is this particular O.C.T. still subsisting or has been cancelled already?

"A.

It has been cancelled already.

"Q. What is the Transfer Certificate of Title that has cancelled this one?

"A. That was cancelled by Transfer Certificate of Title No. T-14168 in the name of Manila Diesel Parts Co., Inc.

"Q. My question is, what has been the basis of the transfer from OCT 530 to TCT No. T-14168?

"A.

There were documents that were presented that led to the cancellation of OCT No. 530 and issuance of TCT No. T-14168. The first document is the Extra Judicial Par-tition first of the heirs of Balbino Padilla and the second document is the Deed of Sale, executed by the heirs of Balbino Padilla in favor of Manila Diesel Parts Co.

"Q.

I am showing to you this Deed of Sale which says that the lot conveyed in this particular sale is Lot 328 of the Mariveles Cadastre. My question is, why was this particular deed of sale conveying Lot 328 used to transfer Lot 326? (Underscoring ours.)

"A.

When this document was presented for registration the accompanying certificate of title of the property is supposed to be conveyed, sold and also attached with the document we just relied of the title placed in the deed of sale. (Underscoring ours).

"COURT: The Court notes that the number of the Certificate of Title is 530 also written in separate pen not typed. (Underscoring ours).

"Q.

Whereas, may I continue, Your Honor.

Whereas, the phrase Lot No. 328 was typed in the same typewriter as the other parts of the document.

"COURT: May I see the certified copy of the Original Certificate of Title?

"Q.

In view of your answer, Atty. Bascara, if the certificate of title covering Lot 328 was presented to you together with the deed of absolute sale, it would be that title that you will cancel and transfer to Manila Diesel Parts Co. and not this title of Padilla?

"A. Of course, yes. (tsn, Bascara, Nov. 9, 1978, pp. 13-15; [pp. 10-11, Memorandum for the Petitioner]).

If one would assume that the Deed of Sale (Exh. "D") is a valid and enforceable instrument, normally one would expect also that the vendee, respondent Manila Diesel Parts will take possession of the property immediately after the supposed purchase. Yet, for the past 23 years the respondents have shown no attempt to take possession of the property, thus they did not really consider themselves the true owners of the property. In fact, petitioner Pio

Padilla who possessed the property all through the years was the one who initiated a complaint in the then Court of First Instance of Bataan to annul Exhibit "D" upon his discovery of its existence. Such inaction therefore on the part of private respondents militates against the validity and substance of Exhibit "D".

The records of the case also show that the land in question was sold to private respondents by the vendors three times, the second and third transactions were executed during the pendency of two civil actions involving the same land and on those two occasions, private respondents had to make the vendors sign new deeds of sale and on all three occasions (Exhs. "D", "U", & "V") substantial payments were made by the pri-vate respondents to the vendors. Exhibit "D" as already mentioned earlier is a Deed of Sale dated, March 19, 1964 which conveyed Lot 326 to Manila Diesel Parts Supply Co., Inc. executed by Magdalena and Felicisimo Padilla for the consideration of P10,725.00. Exhibit "U" is a "Quitclaim" dated July 25, 1970 executed by the same vendors whereby they waived for the second time their rights over Lot 326 in favor of the same vendees in consideration of the amount of P1,500.00. Exhibit "V" is a "Sinumpaang Salaysay" dated April 26, 1978 whereby the same vendors waived their rights for the third time over the same property in favor of the same vendees in consideration of P1,500.00. These repeated transactions create the impression that the first document (Exh. "D") was spurious, fraudulent and void and therefore transmitted no legal rights whatsoever between the vendors and vendees.

Let us also consider Exhibit "18" and Exhibit "19" for the defendants or private respondents. Exhibit "18" is a document of a "Waiver of Rights", dated March 25, 1964 wherein, Pio A. Padilla waives his rights and participations forever and unconditionally unto Mr. Anastacio Bagsik, the portion of land comprising 1.537 hectares out of the 16,537 square meters of Lot 326. Exhibit "19" is an "Agreement" dated December 2, 1962 wherein Pio L. Padilla and the supposed vendors of the land have agreed that the latter are the owners of the land and the former is the administrator of the land.

Anastacio Bagsik testified for the private respondents stating: 1) that Pio Padilla waived in his favor a portion of the land to the extent of 1.5370 hectares long before the sale of the land to Manila Diesel Parts Supply Co., Inc; 2) that he acted as the agent in the sale of the land to Manila Diesel; and 3) that in the consummation of the sale, he included his 1.5370 hectares for which he was paid by Manila Diesel Parts Supply Co., Inc.

Pio Padilla testified on rebuttal admitting that he knows Bagsik but denied that he signed any document in favor of said Bagsik, especially Exhibit "18". Significantly Exhibit "18" is dated March 25, 1964, whereas Exhibit "D" is dated March 19, 1964. Bagsik testified that Pio Padilla executed Exhibit "18" long before the sale to private respondents and that was the reason he was paid by Manila Diesel Parts Supply Co., Inc. for his 1.5370 hectares portion of the land in question. This is impossible, because the sale was six days ahead of the date of Exhibit "18". Pio Padilla further testified that it was not possible that Exhibit "18" could have been subscribed before Notary Public Vicente Aguilar on March 25, 1964 or March 28, 1964 because Vicente Aguilar was already dead long before that date. Noteworthy also is the fact that the signature of Pio Padilla appearing on Exhibit "18" bears significant differences with the signature appearing on page 8 of the complaint which is the signature that is recognized as genuine. Surprisingly Magdalena Padilla and Felicisimo Padilla who were the supposed parties to Exhibit "19" did not testify on this document in their lengthy testimony in open court. It was Anastacio Bagsik who had to testify on the circumstances of Exhibit "19" when he is not even a party to it. Furthermore an examination of these exhibits reveals that: (1) Exhibits "18" and "19" were typed on the same typewriter and bear the same impressions, although they were supposed to have been prepared three (3) years apart; (2) the alleged signature of Pio Padilla on Exhibit "19" bears marked differences from his signature that is recognized by the trial court as genuine; (3) in both Exhibits "18" and "19" Anastacio Bagsik and Sevillano Paculan were either parties and/or witnesses, although the documents were supposed to have been three (3) years apart.

WHEREFORE, finding petitioner to be the only surviving rightful heir of Balbino Padilla, registered owner of

Lot 326 of Mariveles Cadastre the assailed decision is hereby SET ASIDE and a new decision is here-by RENDERED in favor of petitioner and against the private respondents:

- Declaring the Deed of Absolute Sale dated March 19, 1964 (Exhibit "D") null and void;
- Ordering the cancellation of TCT No. T-58061 in the name of Farmwealth Industrial Corporation;
- Ordering the reinstatement of OCT No. 530 in the name of Heirs of Balbino Padilla, or in the alternative, ordering private respondent Farmwealth Industrial Corporation to reconvey in favor of the petitioner the property in question;
- Ordering the private respondents to pay, jointly and severally, to the petitioner the sum of P30,000.00 as and for attorney's fees and expenses of litigation; and
- Ordering the private respondents to pay the costs as prayed for by petitioner.

SO ORDERED.

Yap, (Chairman), Melencio-Herrera, Padilla, and Sarmiento, JJ., concur.

[1] Penned by Justice Jose C. Campos, Jr., concurred in by Justices Crisolito Pascual, Serafin E. Camilon and Desiderio P. Jurado.

[2] Penned by Judge Pedro T. Santiago.

[3] p. 27, Memorandum for the Petitioner.

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