

SECOND DIVISION

[G.R. No. 188661, April 11, 2012]

**ESTELITA VILLAMAR, PETITIONER, VS. BALBINO MANGAOIL,
RESPONDENT.**

D E C I S I O N

REYES, J.:

The Case

Before us is a petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court filed by Estelita Villamar (Villamar) to assail the Decision^[2] rendered by the Court of Appeals (CA) on February 20, 2009 in CA-G.R. CV No. 86286, the dispositive portion of which reads:

WHEREFORE, the instant appeal is **DISMISSED**. The assailed decision is **AFFIRMED in toto**.

SO ORDERED.^[3]

The resolution^[4] issued by the CA on July 8, 2009 denied the petitioner's motion for reconsideration to the foregoing.

The ruling^[5] of Branch 23, Regional Trial Court (RTC) of Roxas, Isabela, which was affirmed by the CA in the herein assailed decision and resolution, ordered the (1) rescission of the contract of sale of real property entered into by Villamar and Balbino Mangaoil (Mangaoil); and (2) return of the down payment made relative to the said contract.

Antecedents Facts

The CA aptly summarized as follows the facts of the case prior to the filing by Mangaoil of the complaint^[6] for rescission of contract before the RTC:

Villamar is the registered owner of a 3.6080 hectares parcel of land [hereinafter referred as the subject property] in San Francisco, Manuel, Isabela covered by Transfer Certificate of Title (TCT) No. T-92958-A. On **March 30, 1998**, she entered into an **Agreement** with Mangaoil for the purchase and sale of said parcel of land, under the following terms and conditions:

"1. The price of the land is ONE HUNDRED AND EIGHTY THOUSAND (180,000.00) PESOS per hectare but only the 3.5000 hec. shall be paid and the rest shall be given free, so that the total purchase or selling price shall be **[P]630,000.00** only;

2. **ONE HUNDRED EIGHTY FIVE THOUSAND (185,000.00) PESOS** of the total price was already received on March 27, 1998 **for payment of the loan secured by the certificate of title covering the land in favor of the Rural Bank of Cauayan**, San Manuel Branch, San Manuel, Isabela [Rural Bank of Cauayan], in order that the certificate of title thereof be withdrawn and released from the said bank, and the rest shall be **for the payment of the mortgag[e]s in favor of Romeo Lacaden and Florante Parangan**;

3. After the release of the certificate of title covering the land subject-matter of this agreement, the necessary **deed of absolute sale** in favor of the PARTY OF THE SECOND PART shall be executed and the transfer be immediately effected so that the latter can apply for a loan from any lending institution using the corresponding certificate of title as collateral therefor, and the proceeds of the loan, whatever be the amount, be given to the PARTY OF THE FIRST PART;

4. Whatever balance left from the agreed purchase price of the land subject matter hereof after deducting the proceed of the loan and the [P]185,000.00 already received as above-mentioned, the PARTY OF THE SECOND PART shall pay unto the PARTY OF THE FIRST PART not later than **June 30, 1998** and thereafter the parties shall be released of any obligations for and against each other; xxx"

On April 1, 1998, the parties executed a **Deed of Absolute Sale** whereby Villamar (then Estelita Bernabe) transferred the subject parcel of land to Mangaoil for and in consideration of [P]150,000.00.

In a letter dated September 18, 1998, Mangaoil informed Villamar that he was backing out from the sale agreed upon giving as one of the reasons therefor:

"3. That the area is not yet fully cleared by incumbrances as there are tenants who are not willing to vacate the land without giving them back the amount that they mortgaged the land."

Mangaoil demanded **refund** of his [P]185,000.00 down payment. Reiterating said demand in another letter dated April 29, 1999, the same, however, was unheeded.^[7] x x x (Citations omitted)

On January 28, 2002, the respondent filed before the RTC a complaint^[8] for rescission of contract against the petitioner. In the said complaint, the respondent sought the return of P185,000.00 which he paid to the petitioner, payment of interests thereon to be computed from March 27, 1998 until the suit's termination, and the award of damages, costs and P20,000.00 attorney's fees. The respondent's factual allegations were as follows:

5. That as could be gleaned the "Agreement" (Annex "A"), the plaintiff [Mangaoil] handed to the defendant [Villamar] the sum of [P]185,000.00 to be applied as follows; [P]80,000 was for the redemption of the land which was mortgaged to the Rural Bank of Cauayan, San Manuel Branch, San Manuel, Isabela, to enable the plaintiff to get hold of the title and register the sale x x x and [P]105,000.00 was for the redemption of the said land from private mortgages to enable plaintiff to posses[s] and cultivate the same;

6. That although the defendant had already long redeemed the said land from the said bank and withdrawn TCT No. T-92958-A, she has failed and refused, despite repeated demands, to hand over the said title to the plaintiff and still refuses and fails to do so;

7. That, also, the plaintiff could not physically, actually and materially posses[s] and cultivate the said land because the private mortgage[e]s and/or present possessors refuse to vacate the same;

x x x x

11. That on September 18, 1998, the plaintiff sent a letter to the defendant demanding a return of the amount so advanced by him, but the latter ignored the same, x x x;

12. That, again, on April 29, 1999, the plaintiff sent to the defendant another demand letter but the latter likewise ignored the same, x x x;

13. That, finally, the plaintiff notified the defendant by a notarial act of his desire and intention to rescind the said contract of sale, xxx;

x x x x.^[9] (Citations omitted)

In the respondent's answer to the complaint, she averred that she had complied with her obligations to the respondent. Specifically, she claimed having caused the release of TCT No. T-92958-A by the Rural Bank of Cauayan and its delivery to a certain "Atty. Pedro C. Antonio" (Atty. Antonio). The petitioner alleged that Atty. Antonio was commissioned to facilitate the transfer of the said title in the respondent's name. The petitioner likewise insisted that it was the respondent who unceremoniously withdrew from their agreement for reasons only the latter knew.

The Ruling of the RTC

On September 9, 2005, the RTC ordered the rescission of the agreement and the deed of absolute sale executed between the respondent and the petitioner. The petitioner was, thus directed to return to the respondent the sum of P185,000.00 which the latter tendered as initial payment for the purchase of the subject property. The RTC ratiocinated that:

There is no dispute that the defendant sold the LAND to the plaintiff for [P]630,000.00 with down payment of [P]185,000.00. There is no evidence presented if there were any other partial payments made after the perfection of the contract of sale.

Article 1458 of the Civil Code provides:

“Art. 1458. By the contract of sale[,] 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.”

As such, in a contract of sale, the obligation of the vendee to pay the price is correlative of the obligation of the vendor to deliver the thing sold. It created or established at the same time, out of the same course, and which result in mutual relations of creditor and debtor between the parties.

The claim of the plaintiff that the LAND has not been delivered to him was not refuted by the defendant. Considering that defendant failed to deliver to him the certificate of title and of the possession over the LAND to the plaintiff, the contract must be rescinded pursuant to Article 1191 of the Civil Code which, in part, provides:

“Art. 1191. The power of rescind obligations is implied in reciprocal ones in case one of the obligors should not comply with what is incumbent upon him.”^[10]

The petitioner filed before the CA an appeal to challenge the foregoing. She ascribed error on the part of the RTC when the latter ruled that the agreement and deed of sale executed by and between the parties can be rescinded as she failed to deliver to the respondent both the subject property and the certificate of title covering the same.

The Ruling of the CA

On February 20, 2009, the CA rendered the now assailed decision dismissing the petitioner’s appeal based on the following grounds:

Burden of proof is the duty of a party to prove the truth of his claim or defense, or any fact in issue necessary to establish his claim or defense by the amount of evidence required by law. In civil cases, **the burden of proof is on the defendant if he alleges, in his answer, an affirmative defense**, which is not a denial of an essential ingredient in the plaintiff's cause of action, but is one which, if established, will be a good defense – *i.e.*, an “avoidance” of the claim, which *prima facie*, the plaintiff already has because of the defendant's own admissions in the pleadings.

Defendant-appellant Villamar's defense in this case was an **affirmative defense**. She did not deny plaintiff-appellee's allegation that she had an agreement with plaintiff-appellee for the sale of the subject parcel of land. Neither did she deny that she was obliged under the contract to deliver the certificate of title to plaintiff-appellee immediately after said title/property was redeemed from the bank. **What she rather claims is that she already complied with her obligation to deliver the title to plaintiff-appellee when she delivered the same to Atty. Antonio** as it was plaintiff-appellee himself who engaged the services of said lawyer to precisely work for the immediate transfer of said title in his name. Since, however, this affirmative defense as alleged in defendant-appellant's answer was not admitted by plaintiff-appellee, it then follows that it behooved the **defendant-appellant to prove her averments** by preponderance of evidence.

Yet, a careful perusal of the record shows that the defendant-appellant failed to sufficiently prove said affirmative defense. **She failed to prove that** in the first place, **“Atty. Antonio” existed to receive the title for and in behalf of plaintiff-appellee**. Worse, the defendant-appellant failed to prove that Atty. Antonio received said title **“as allegedly agreed upon.”**

We likewise sustain the RTC's finding that defendant-appellant V[i]llamar **failed to deliver possession** of the subject property to plaintiff-appellee Mangaoil. As correctly observed by the RTC - “[t]he claim of the plaintiff that the land has not been delivered to him was not refuted by the defendant.” Not only that. On cross-examination, the defendant-appellant gave us insight on **why no such delivery could be made, viz.:**

“x x x x

Q: **So, you were not able to deliver this property to Mr. Mangaoil just after you redeem the property because of the presence of these two (2) persons, is it not?**

x x x

A: **Yes, sir.**