

THIRD DIVISION

[G.R. No. 148225, March 03, 2010]

CARMEN DEL PRADO, PETITIONER, VS. SPOUSES ANTONIO L. CABALLERO AND LEONARDA CABALLERO, RESPONDENTS.

DECISION

NACHURA, J.:

This is a petition for review on *certiorari* of the decision^[1] of the Court of Appeals (CA) dated September 26, 2000 and its resolution denying the motion for reconsideration thereof.

The facts are as follows:

In a judgment rendered on February 1, 1985 in Cadastral Case No. N-6 (LRC Rec. No. N-611), Judge Juan Y. Reyes of the Regional Trial Court (RTC) of Cebu City, Branch 14, adjudicated in favor of Spouses Antonio L. Caballero and Leonarda B. Caballero several parcels of land situated in Guba, Cebu City, one of which was Cadastral Lot No. 11909, the subject of this controversy.^[2] On May 21, 1987, Antonio Caballero moved for the issuance of the final decree of registration for their lots.^[3] Consequently, on May 25, 1987, the same court, through then Presiding Judge Renato C. Dacudao, ordered the National Land Titles and Deeds Registration Administration to issue the decree of registration and the corresponding titles of the lots in favor of the Caballeros.^[4]

On June 11, 1990, respondents sold to petitioner, Carmen del Prado, Lot No. 11909 on the basis of the tax declaration covering the property. The pertinent portion of the deed of sale reads as follows:

That we, Spouses ANTONIO L. CABALLERO and LEONARDA B. CABALLERO, Filipinos, both of legal age and residents of Talamban, Cebu City, Philippines, for and in consideration of the sum of FORTY THOUSAND PESOS (P40,000.00), Philippine Currency, paid by CARMEN DEL PRADO, Filipino, of legal age, single and a resident of Sikatuna St., Cebu City, Philippines, the receipt of which is full is hereby acknowledged, do by these presents SELL, CEDE, TRANSFER, ASSIGN & CONVEY unto the said CARMEN DEL PRADO, her heirs, assigns and/or successors-in-interest, one (1) unregistered parcel of land, situated at Guba, Cebu City, Philippines, and more particularly described and bounded, as follows:

"A parcel of land known as Cad. Lot No. 11909, bounded as follows:

North : Lot 11903
East : Lot 11908
West : Lot 11910
South : Lot 11858 & 11912

containing an area of 4,000 square meters,
more or less, covered by Tax Dec. No. 00787 of the Cebu City
Assessor's Office, Cebu City."

of which parcel of land we are the absolute and lawful owners.

Original Certificate of Title (OCT) No. 1305, covering Lot No. 11909, was issued only on November 15, 1990, and entered in the "Registration Book" of the City of Cebu on December 19, 1990.^[5] Therein, the technical description of Lot No. 11909 states that said lot measures about 14,457 square meters, more or less.^[6]

On March 20, 1991, petitioner filed in the same cadastral proceedings a "Petition for Registration of Document Under Presidential Decree (P.D.) 1529"^[7] in order that a certificate of title be issued in her name, covering the whole Lot No. 11909. In the petition, petitioner alleged that the tenor of the instrument of sale indicated that the sale was for a lump sum or *cuervo cierto*, in which case, the vendor was bound to deliver all that was included within said boundaries even when it exceeded the area specified in the contract. Respondents opposed, on the main ground that only 4,000 sq m of Lot No. 11909 was sold to petitioner. They claimed that the sale was not for a *cuervo cierto*. They moved for the outright dismissal of the petition on grounds of prescription and lack of jurisdiction.

After trial on the merits, the court found that petitioner had established a clear and positive right to Lot No. 11909. The intended sale between the parties was for a lump sum, since there was no evidence presented that the property was sold for a price per unit. It was apparent that the subject matter of the sale was the parcel of land, known as Cadastral Lot No. 11909, and not only a portion thereof.^[8]

Thus, on August 2, 1993, the court *a quo* rendered its decision with the following dispositive portion:

WHEREFORE, premises considered, the petition is hereby granted and judgment is hereby rendered in favor of herein petitioner. The Register of Deeds of the City of Cebu is hereby ordered and directed to effect the registration in his office of the Deed of Absolute Sale between Spouses Antonio Caballero and Leonarda Caballero and Petitioner, Carmen del Prado dated June 11, 1990 covering Lot No. 11909 after payment of all fees prescribed by law. Additionally, the Register of Deeds of the City of Cebu is hereby ordered to cancel Original Certificate No. 1305 in the name of Antonio Caballero and Leonarda Caballero and the Transfer Certificate of Title be issued in the name of Petitioner Carmen del Prado covering the entire parcel of land known as Cadastral Lot No. 11909.^[9]

An appeal was duly filed. On September 26, 2000, the CA promulgated the assailed

decision, reversing and setting aside the decision of the RTC.

The CA no longer touched on the character of the sale, because it found that petitioner availed herself of an improper remedy. The "petition for registration of document" is not one of the remedies provided under P.D. No. 1529, after the original registration has been effected. Thus, the CA ruled that the lower court committed an error when it assumed jurisdiction over the petition, which prayed for a remedy not sanctioned under the *Property Registration Decree*. Accordingly, the CA disposed, as follows:

IN VIEW OF ALL THE FOREGOING, the appealed decision is REVERSED and SET ASIDE and a new one entered dismissing the petition for lack of jurisdiction. No pronouncement as to costs.^[10]

Aggrieved, petitioner filed the instant petition, raising the following issues:

- I. WHETHER OR NOT THE COURT OF APPEALS COMMITTED GRAVE ERROR IN MAKING FINDINGS OF FACT CONTRARY TO THAT OF THE TRIAL COURT[;]
- II. WHETHER OR NOT THE COURT OF APPEALS COMMITTED GRAVE ERROR IN FAILING TO RULE THAT THE SALE OF THE LOT IS FOR A LUMP SUM OR *CUERPO CIERTO*[;]
- III. WHETHER OR NOT THE COURT *A QUO* HAS JURISDICTION OVER THE PETITION FOR REGISTRATION OF THE DEED OF ABSOLUTE SALE DATED 11 JUNE 1990 EXECUTED BETWEEN HEREIN PETITIONER AND RESPONDENTS[.]^[11]

The core issue in this case is whether or not the sale of the land was for a lump sum or not.

Petitioner asserts that the plain language of the Deed of Sale shows that it is a sale of a real estate for a lump sum, governed under Article 1542 of the Civil Code.^[12] In the contract, it was stated that the land contains an area of 4,000 sq m *more or less*, bounded on the North by Lot No. 11903, on the East by Lot No. 11908, on the South by Lot Nos. 11858 & 11912, and on the West by Lot No. 11910. When the OCT was issued, the area of Lot No. 11909 was declared to be 14,475 sq m, with an excess of 10,475 sq m. In accordance with Article 1542, respondents are, therefore, duty-bound to deliver the whole area within the boundaries stated, without any corresponding increase in the price. Thus, petitioner concludes that she is entitled to have the certificate of title, covering the whole Lot No. 11909, which was originally issued in the names of respondents, transferred to her name.

We do not agree.

In *Esguerra v. Trinidad*,^[13] the Court had occasion to discuss the matter of sales

involving real estates. The Court's pronouncement is quite instructive:

In sales involving real estate, the parties may choose between two types of pricing agreement: **a unit price contract** wherein the purchase price is determined by way of reference to a stated rate per unit area (e.g., P1,000 per square meter), or **a lump sum contract** which states a full purchase price for an immovable the area of which may be declared based on the estimate or where both the area and boundaries are stated (e.g., P1 million for 1,000 square meters, etc.). In *Rudolf Lietz, Inc. v. Court of Appeals* (478 SCRA 451), the Court discussed the distinction:

"...In a unit price contract, the statement of area of immovable is not conclusive and the price may be reduced or increased depending on the area actually delivered. If the vendor delivers less than the area agreed upon, the vendee may oblige the vendor to deliver all that may be stated in the contract or demand for the proportionate reduction of the purchase price if delivery is not possible. If the vendor delivers more than the area stated in the contract, the vendee has the option to accept only the amount agreed upon or to accept the whole area, provided he pays for the additional area at the contract rate.

x x x x

In the case where the area of an immovable is stated in the contract based on an estimate, the actual area delivered may not measure up exactly with the area stated in the contract. According to Article 1542 of the Civil Code, in the sale of real estate, made for a lump sum and not at the rate of a certain sum for a unit of measure or number, there shall be no increase or decrease of the price, although there be a greater or less areas or number than that stated in the contract. . . .

x x x x

*Where both the area and the boundaries of the immovable are declared, **the area covered within the boundaries of the immovable prevails** over the stated area.* In cases of conflict between areas and boundaries, it is the latter which should prevail. **What really defines a piece of ground** is not the area, calculated with more or less certainty, mentioned in its description, but the boundaries therein laid down, as enclosing the land and indicating its limits. In a contract of sale of land in a mass, it is well established that the specific boundaries stated in the contract must control over any statement with respect to the area contained within its boundaries. It is not of vital consequence that a deed or contract of sale of land should disclose the area with mathematical accuracy. It is sufficient if its extent is objectively indicated with sufficient