

THIRD DIVISION

[G.R. No. 160743, August 04, 2009]

CORNELIA BALADAD (REPRESENTED BY HEINRICH M. ANGELES AND REX AARON A. BALADAD), PETITIONER, VS. SERGIO A. RUBLICO AND SPOUSES LAUREANO F. YUPANO, RESPONDENTS.

D E C I S I O N

NACHURA, J.:

Before us is a petition for review of the November 5, 2002 Decision^[1] of the Court of Appeals (CA), as well as its November 10, 2003 Resolution^[2] in CA-G.R. CV No. 34979, which reversed and set aside the September 9, 1991 Decision^[3] of Branch 133 of the Regional Trial Court (RTC) of Makati City, in a complaint for annulment of sale, cancellation of title and damages^[4] filed by petitioner Cornelia Baladad against herein respondents.

Below are the antecedent facts.

Two parcels of land located in what was then called the Municipality of Makati, Province of Rizal were registered in the name of Julian Angeles on December 20, 1965 under Transfer Certificate of Title (TCT) No. 155768.^[5] On December 3, 1968, Julian and Corazon Rublico, after co-habiting for some time, got married. Julian was already 65 years old then, while Corazon was already 67.^[6] At that time, Corazon already had a son, respondent Sergio A. Rublico, by Teofilo Rublico, who died sometime before the outbreak of the Second World War.^[7] After Teofilo's death, Corazon cohabited with Panfilo de Jesus and then, later, with Julian. Julian died on February 2, 1969^[8] leaving no compulsory heirs^[9] except his wife and his brother, Eпитacio.

On February 4, 1985, while on her death bed, Cornelia was surrounded by four individuals - her niece, petitioner Cornelia Baladad; her nephew, Vicente Angeles; a certain Rosie Francisco; and notary public Atty. Julio Francisco who had been called, accompanied by Cornelia herself to Corazon's house, to notarize a deed entitled Extrajudicial Settlement of Estate with Absolute Sale. In his testimony, Atty. Francisco said that Corazon imprinted her thumbmark on the document after he read and explained the contents thereof in *Tagalog* to her.^[10] In the said document, Corazon and Eпитacio adjudicated unto themselves the two lots registered in the name of Julian - with three-fourths ($\frac{3}{4}$) of the property going to Corazon

and the remaining one-fourth ($\frac{1}{4}$) to Eпитacio. The document also stated that both Corazon and Eпитacio conveyed by way of absolute sale both their shares in the said lots in favor of Cornelia, Eпитacio's daughter, in exchange for the amount of P107,750.00. Corazon's thumbmark was imprinted at the bottom of the said deed, while Vicente, Eпитacio's son, signed in behalf of Eпитacio by virtue of a power of

attorney.^[11] There was no signature of Cornelia on the said document.

Two days later, Corazon passed away.

Title over the said lots remained in the name of Julian, but on July 20, 1987, more than two years after Corazon's death, respondent Sergio executed an Affidavit of Adjudication by Sole Heir of Estate of Deceased Person^[12] adjudicating unto himself the same parcels of land which had been subject of the deed of sale between Corazon and Cornelia. On October 27, 1987, Sergio filed a petition for reconstitution of the owner's copy of TCT No. 155768 averring that after the death of Corazon, he tried to locate the copy of the title but to no avail.^[13] The petition was granted on January 11, 1988^[14] and a new owner's duplicate title (TCT No. 155095) was issued in the name of Sergio on April 18, 1988.^[15]

On May 31, 1988, Sergio sold the two lots to spouses Laureano and Felicidad Yupano for P100,000.00.^[16] Sergio's certificate of title was cancelled and TCT No. 155338 was issued in favor of the Yupanos. On July 26, 1988, the said title was also cancelled and TCT Nos. 156312^[17] and 156313^[18] separately covering the two parcels of land were issued. On July 17, 1990, Cornelia caused the annotation on the said TCTs of her adverse claim over the said properties.

Meanwhile, there were seven families who occupied the lots and paid rentals to Julian and, later, to Corazon. After Corazon's death, they paid rentals to Cornelia through Pacifica Alvaro, and later to Cornelia's brother, Vicente, when Cornelia transferred her residence to the United States. When the Yupanos demanded payment of rentals from the tenants, the latter filed a complaint for interpleader on May 19, 1989. The case was docketed as Civil Case No. 89-3947. On September 3, 1990, Branch 148 of the Makati RTC rendered a Decision^[19] declaring the Yupanos as the legal and lawful owners of the two lots.

On August 3, 1990, a month before the promulgation of the decision, Cornelia filed a complaint for annulment of sale, cancellation of title and damages, which is now the subject of this Rule 45 petition. Cornelia argued that Sergio knew of the sale made by Corazon in her favor and was even given part of the proceeds. Cornelia also averred that the Yupanos could not be considered as buyers in good faith, because they only lived a block from the disputed properties and had knowledge that the two lots had been sold to Cornelia prior to Corazon's death.^[20]

For their part, respondents argued that the Extrajudicial Settlement with Absolute Sale dated February 4, 1985 could not have been executed because at the time, Corazon was already dying. Ignacio Rublico, Sergio's son, also testified that he saw Vicente Angeles holding the hand of Corazon to affix her thumbmark on a blank sheet of paper.^[21] Sergio also argued that the property was originally bought by his mother, but was only registered in the name of Julian in keeping with the tradition at that time.^[22]

After the trial, Branch 133 of the Makati RTC ruled in favor of Cornelia.^[23] Upon appeal, the CA reversed the RTC ruling^[24] prompting Cornelia to file a motion for reconsideration,^[25] but the same was denied for lack of merit.^[26] Hence, this

petition.

The determinative issue is the validity of the Extrajudicial Settlement of Estate with Absolute Sale purportedly executed by Corazon prior to her death.

We find in favor of petitioner.

The Extrajudicial Settlement of Estate with Absolute Sale executed by Corazon and Epitacio through the latter's attorney-in-fact, Vicente Angeles, partakes of the nature of a contract. To be precise, the said document contains two contracts, to wit: the extrajudicial adjudication of the estate of Julian Angeles between Corazon and Epitacio as Julian's compulsory heirs, and the absolute sale of the adjudicated properties to Cornelia. While contained in one document, the two are severable and each can stand on its own. Hence, for its validity, each must comply with the requisites prescribed in Article 1318 of the Civil Code, namely (1) consent of the contracting parties; (2) object certain, which is the subject matter of the contract; and (3) cause of the obligation which is established.

During the trial, respondents argued that the document was not valid because at the time it was executed, Corazon was already weak and could not have voluntarily given her consent thereto. One of the witnesses for the defense even testified that it was Vicente who placed Corazon's thumbprint on a blank document, which later turned out to be the Extrajudicial Adjudication with Absolute Sale. We are, however, inclined to agree with the RTC's finding on this matter, *viz*:

Ignacio is not a reliable witness. He was very certain the event took place on February 4, 1985 and Corazon was already dead. This was his testimony on cross-examination. He had forgotten that Corazon died on February 6, 1985 or two days after. So, when confronted with this contradiction, he had to change his stance and claim that Corazon was still alive when it happened.^[27]

It is also noteworthy that in the course of the trial, respondents did not question Corazon's mental state at the time she executed the said document.

Respondents only focused on her physical weakness, arguing that she could not have executed the deed because she was already dying and, thus, could not appear before a notary public.^[28] Impliedly, therefore, respondents indulged the presumption that Corazon was still of sound and disposing mind when she agreed to adjudicate and sell the disputed properties on February 4, 1985.

Respondents also failed to refute the testimony of Atty. Francisco, who notarized the deed, that he personally read to Corazon the contents of the Extrajudicial Settlement of Estate with Absolute Sale, and even translated its contents to *Tagalog*.

And, most important of all is the fact that the subject deed is, on its face, unambiguous. When the terms of a contract are lawful, clear and unambiguous, facial challenge cannot be allowed. We should not go beyond the provisions of a clear and unambiguous contract to determine the intent of the parties thereto,