

FIRST DIVISION

[G.R. No. 140487, April 02, 2001]

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. LEON SILIM
AND ILDEFONSA MANGUBAT, RESPONDENTS.**

DECISION

KAPUNAN, J.:

Before the Court is a petition for review under Rule 45 seeking the reversal of the Decision of the Court of Appeals in CA-G.R. No. 43840, entitled *Leon Silim, et al. vs. Wilfredo Palma, et al.*, which declared null and void the donation made by respondents of a parcel of land in favor of the Bureau of Public Schools, Municipality of Malangas, Zamboanga del Sur.

The antecedents of this case are as follows:

On 17 December 1971, respondents, the Spouses Leon Silim and Ildefonsa Mangubat, donated a 5,600 square meter parcel of land in favor of the Bureau of Public Schools, Municipality of Malangas, Zamboanga del Sur (BPS). In the Deed of Donation, respondents imposed the condition that the said property should "be used exclusively and forever for school purposes only."^[1] This donation was accepted by Gregorio Buendia, the District Supervisor of BPS, through an Affidavit of Acceptance and/or Confirmation of Donation.

Through a fund raising campaign spearheaded by the Parent-Teachers Association of Barangay Kauswagan, a school building was constructed on the donated land. However, the Bagong Lipunan school building that was supposed to be allocated for the donated parcel of land in Barangay Kauswagan could not be released since the government required that it be built upon a one (1) hectare parcel of land. To remedy this predicament, Assistant School Division Superintendent of the Province of Zamboanga del Sur, Sabdani Hadjirol, authorized District Supervisor Buendia to officially transact for the exchange of the one-half (1/2) hectare old school site of Kauswagan Elementary School to a new and suitable location which would fit the specifications of the government. Pursuant to this, District Supervisor Buendia and Teresita Palma entered into a Deed of Exchange whereby the donated lot was exchanged with the bigger lot owned by the latter. Consequently, the Bagong Lipunan school buildings were constructed on the new school site and the school building previously erected on the donated lot was dismantled and transferred to the new location.

When respondent Leon Silim saw, to his surprise, that Vice-Mayor Wilfredo Palma was constructing a house on the donated land, he asked the latter why he was building a house on the property he donated to BPS. Vice Mayor Wilfredo Palma replied that he is already the owner of the said property. Respondent Leon Silim endeavored to stop the construction of the house on the donated property but Vice-

Mayor Wilfredo Palma advised him to just file a case in court.

On February 10, 1982, respondents filed a Complaint for Revocation and Cancellation of Conditional Donation, Annulment of Deed of Exchange and Recovery of Possession and Ownership of Real Property with damages against Vice Mayor Wilfredo Palma, Teresita Palma, District Supervisor Buendia and the BPS before the Regional Trial Court of Pagadian City, Branch 21. In its Decision dated 20 August 1993, the trial court dismissed the complaint for lack of merit.^[2] The pertinent portion of the decision reads:

Thus, it is the considered view of this Court that there was no breach or violation of the condition imposed in the subject Deed of Donation by the donee. The exchange is proper since it is still for the exclusive use for school purposes and for the expansion and improvement of the school facilities within the community. The Deed of Exchange is but a continuity of the desired purpose of the donation made by plaintiff Leon Silim.

In sum, it may be safely stated that the aforesaid transaction of exchange is a (sic) exception to the law invoked by the plaintiffs (Art. 764, Civil Code). The donee, being the State had the greater reciprocity of interest in the gratuitous and onerous contract of donation. It would be illogical and selfish for the donor to technically preclude the donee from expanding its school site and improvement of its school facilities, a paramount objective of the donee in promoting the general welfare and interests of the people of Barangay Kauswagan. But it is a well-settled rule that if the contract is onerous, such as the Deed of Donation in question, the doubt shall be settled in favor of the greatest reciprocity of interests, which in the instant case, is the donee.

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WHEREFORE, in view of all the foregoing, judgement is hereby rendered:

1. Dismissing the complaint for lack of merit;
2. Dismissing the counterclaim for the sake of harmony and reconciliation between the parties;
3. With costs against plaintiffs.

SO ORDERED.^[3]

Not satisfied with the decision of the trial court, respondents elevated the case to the Court of Appeals. In its Decision dated 22 October 1999, the Court of Appeals reversed the decision of the trial court and declared the donation null and void on the grounds that the donation was not properly accepted and the condition imposed on the donation was violated.^[4]

Hence, the present case where petitioner raises the following issues:

- I. WHETHER THE COURT OF APPEALS ERRED IN DECLARING THE DONATION NULL AND VOID DUE TO AN INVALID ACCEPTANCE BY

THE DONEE.

II. WHETHER THE COURT OF APPEALS ERRED IN DECLARING THE DONATION NULL AND VOID DUE TO AN ALLEGED VIOLATION OF A CONDITION IN THE DONATION.^[5]

The Court gives DUE COURSE to the petition.

Petitioner contends that the Court of Appeals erred in declaring the donation null and void for the reason that the acceptance was not allegedly done in accordance with Articles 745^[6] and 749^[7] of the New Civil Code.

We agree.

Donations, according to its purpose or cause, may be categorized as: (1) pure or simple; (2) remuneratory or compensatory; (3) conditional or modal; and (4) onerous. A pure or simple donation is one where the underlying cause is plain gratuity.^[8] This is donation in its truest form. On the other hand, a remuneratory or compensatory donation is one made for the purpose of rewarding the donee for past services, which services do not amount to a demandable debt.^[9] A conditional or modal donation is one where the donation is made in consideration of future services or where the donor imposes certain conditions, limitations or charges upon the donee, the value of which is inferior than that of the donation given.^[10] Finally, an onerous donation is that which imposes upon the donee a reciprocal obligation or, to be more precise, this is the kind of donation made for a valuable consideration, the cost of which is equal to or more than the thing donated.^[11]

Of all the foregoing classifications, donations of the onerous type are the most distinct. This is because, unlike the other forms of donation, the validity of and the rights and obligations of the parties involved in an onerous donation is completely governed not by the law on donations but by the law on contracts. In this regard, Article 733 of the New Civil Code provides:

Art. 733. Donations with an onerous cause shall be governed by the rules on contracts, and remuneratory donations by the provisions of the present Title as regards that portion which exceeds the value of the burden imposed.

The donation involved in the present controversy is one which is onerous since there is a burden imposed upon the donee to build a school on the donated property.^[12]

The Court of Appeals held that there was no valid acceptance of the donation because:

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Under the law the donation is void if there is no acceptance. The acceptance may either be in the same document as the deed of donation or in a separate public instrument. If the acceptance is in a separate instrument, "the donor shall be notified thereof in an authentic form, and his step shall be noted in both instruments.

"Title to immovable property does not pass from the donor to the donee by virtue of a deed of donation until and unless it has been accepted in a public instrument and the donor duly noticed thereof. (*Abellera vs. Balanag*, 37 Phils. 85; *Alejandro vs. Geraldez*, 78 SCRA 245). If the acceptance does not appear in the same document, it must be made in another. Solemn words are not necessary; it is sufficient if it shows the intention to accept, But in this case, it is necessary that formal notice thereof be given to the donor and the fact that due notice has been given it must be noted in both instruments (that containing the offer to donate and that showing acceptance). Then and only then is the donation perfected. (*11 Manresa 155-11, cited in Vol. II, Civil Code of the Philippines by Tolentino*)."

This Court perused carefully the Deed of Donation marked as exhibit "A" and "1" to determine whether there was acceptance of the donation. This Court found none. We further examined the record if there is another document which embodies the acceptance, we found one. Although the Court found that in the offer of exhibits of the defendants, a supposed affidavit of acceptance and/or confirmation of the donation, marked as exhibit "8" appears to have been offered.

However, there is nothing in the record that the exhibits offered by the defendants have been admitted nor such exhibits appear on record.

Assuming that there was such an exhibit, the said supposed acceptance was not noted in the Deed of Donation as required under Art. 749 of the Civil Code. And according to Manresa, supra, a noted civilist, the notation is one of the requirements of perfecting a donation. In other words, without such a notation, the contract is not perfected contract. Since the donation is not perfected, the contract is therefore not valid.^[13]

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We hold that there was a valid acceptance of the donation.

Sections 745 and 749 of the New Civil Code provide:

ART. 745. The donee must accept the donation personally, or through an authorized person with a special power for the purpose, or with a general and sufficient power; otherwise the donation shall be void.

ART. 749. In order that the donation of an immovable may be laid, it must be made in a public document, specifying therein the property donated and the value of the charge which the donee must satisfy.

The acceptance may be made in the same deed of donation or in a separate public document, but it shall not take effect unless it is done during the lifetime of the donor.

If the acceptance is made in a separate instrument, the donor shall be