

FIRST DIVISION

[G.R. No. 132681, December 03, 2001]

**RICKY Q. QUILALA, PETITIONER, VS. GLICERIA ALCANTARA,
LEONORA ALCANTARA, INES REYES AND JOSE REYES,
RESPONDENTS.**

D E C I S I O N

YNARES-SANTIAGO, J.:

On February 20, 1981, Catalina Quilala executed a "Donation of Real Property Inter Vivos" in favor of Violeta Quilala over a parcel of land located in Sta. Cruz, Manila, containing an area of 94 square meters, and registered in her name under Transfer Certificate of Title No. 17214 of the Register of Deeds for Manila.

The "Donation of Real Property Inter Vivos" consists of two pages. The first page contains the deed of donation itself, and is signed on the bottom portion by Catalina Quilala as donor, Violeta Quilala as donee, and two instrumental witnesses.^[1] The second page contains the Acknowledgment, which states merely that Catalina Quilala personally appeared before the notary public and acknowledged that the donation was her free and voluntary act and deed. There appear on the left-hand margin of the second page the signatures of Catalina Quilala and one of the witnesses, and on the right-hand margin the signatures of Violeta Quilala and the other witness.^[2] The Acknowledgment reads:

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

Before Me, a Notary Public, for and in the City of Quezon, Philippines, this 20th day of Feb. 1981, personally appeared CATALINA QUILALA, with Residence Certificate No. 19055265 issued at Quezon City on February 4, 1981, known to me and to me known to be the same person who executed the foregoing instruments and acknowledged to me that the same is her own free and voluntary act and deed.

I hereby certify that this instrument consisting of two (2) pages, including the page on which this acknowledgement is written, has been signed by CATALINA QUILALA and her instrumental witnesses at the end thereof and on the left-hand margin of page 2 and both pages have been sealed with my notarial seal.

In witness whereof, I have hereunto set my hand, in the City of Quezon, Philippines, this 20th day of Feb., 1981.

(SGD.) NOTARY PUBLIC
Until December 31, 1981 (illegible)

DOC NO. 22;
PAGE NO. 6;
BOOK NO. XV;
SERIES OF 1981.

The deed of donation was registered with the Register of Deeds and, in due course, TCT No. 17214 was cancelled and TCT No. 143015 was issued in the name of Violeta Quilala.

On November 7, 1983, Catalina Quilala died. Violeta Quilala likewise died on May 22, 1984. Petitioner Ricky Quilala alleges that he is the surviving son of Violeta Quilala.

Meanwhile, respondents Gliceria Alcantara, Leonora Alcantara, Ines Reyes and Juan Reyes, claiming to be Catalina's only surviving relatives within the fourth civil degree of consanguinity, executed a deed of extrajudicial settlement of estate, dividing and adjudicating unto themselves the above-described property.

On September 13, 1984, respondents instituted against petitioner and Guillermo T. San Pedro, the Registrar of Deeds of Manila, an action for the declaration of nullity of the donation *inter vivos*, and for the cancellation of TCT No. 143015 in the name of Violeta Quilala. The case was docketed as Civil Case No. 84-26603 of the Regional Trial Court of Manila, Branch 17. Subsequently, respondents withdrew their complaint as against Guillermo T. San Pedro and he was dropped as a party-defendant.

The trial court found that the deed of donation, although signed by both Catalina and Violeta, was acknowledged before a notary public only by the donor, Catalina. Consequently, there was no acceptance by Violeta of the donation in a public instrument, thus rendering the donation null and void. Furthermore, the trial court held that nowhere in Catalina's SSS records does it appear that Violeta was Catalina's daughter. Rather, Violeta was referred to therein as an adopted child, but there was no positive evidence that the adoption was legal. On the other hand, the trial court found that respondents were first cousins of Catalina Quilala. However, since it appeared that Catalina died leaving a will, the trial court ruled that respondents' deed of extrajudicial settlement can not be registered. The trial court rendered judgment as follows:

WHEREFORE, judgment is hereby rendered in favor of plaintiffs Gliceria Alcantara, Leonarda Alcantara, Ines Reyes and Juan Reyes and against defendant Ricky A. Quilala, as follows:

1. Declaring null and void the deed of donation of real property inter vivos executed on February 20, 1981 by Catalina Quilala in favor of Violeta Quilala (Exhs. A as well as 11 and 11-A.);
2. Ordering the Register of Deeds of Manila to cancel Transfer Certificate of Title No. 143015 in the name of Violeta Quilala and to issue a transfer certificate of title in the name of the Estate of Catalina Quilala;

3. Dismissing the complaint insofar as it seeks the registration of the deed of extrajudicial settlement (Exhs. B and B-1.) and the issuance by the Register of Deeds of Manila of a transfer certificate of title in the names of the plaintiffs; and

4. Dismissing the counterclaim of defendant Ricky A. Quilala.

No costs.

SO ORDERED.^[3]

Petitioner appealed the aforesaid decision. On July 30, 1997, the Court of Appeals rendered a decision affirming with modification the decision of the trial court by dismissing the complaint for lack of cause of action without prejudice to the filing of probate proceedings of Catalina's alleged last will and testament.^[4]

WHEREFORE, the appealed decision is hereby AFFIRMED with the following MODIFICATION:

(3) DISMISSING the complaint for lack of cause of action without prejudice to the filing of the necessary probate proceedings by the interested parties so as not to render nugatory the right of the lawful heirs.

Petitioner filed a motion for reconsideration, which the Court of Appeals denied on February 11, 1998.^[5] Hence, this petition for review, raising the following assignment of errors:

A. THE COURT OF APPEALS ERRED IN RULING THAT THE DEED OF DONATION OF REAL PROPERTY INTER-VIVOS IS NOT REGISTRABLE.

B. THE COURT OF APPEALS ERRED ON UPHOLDING THE LOWER COURT'S RULING THAT VIOLETA QUILALA IS NOT THE DAUGHTER OF CATALINA QUILALA.^[6]

The principal issue raised is the validity of the donation executed by Catalina in favor of Violeta. Under Article 749 of the Civil Code, the donation of an immovable must be made in a public instrument in order to be valid,^[7] specifying therein the property donated and the value of the charges which the donee must satisfy. As a mode of acquiring ownership, donation results in an effective transfer of title over the property from the donor to the donee,^[8] and is perfected from the moment the donor knows of the acceptance by the donee,^[9] provided the donee is not disqualified or prohibited by law from accepting the donation. Once the donation is accepted, it is generally considered irrevocable,^[10] and the donee becomes the absolute owner of the property.^[11] The acceptance, to be valid, must be made during the lifetime of both the donor and the donee.^[12] It may be made in the same deed or in a separate public document,^[13] and the donor must know the acceptance by the donee.^[14]

In the case at bar, the deed of donation contained the number of the certificate of