

THIRD DIVISION

[G.R. No. 104482, January 22, 1996]

BELINDA TAREDO, FOR HERSELF AND IN REPRESENTATION OF HER BROTHERS AND SISTERS, AND TEOFILA CORPUZ TANEDO, REPRESENTING HER MINOR DAUGHTER VERNA TANEDO, PETITIONERS, VS. THE COURT OF APPEALS, SPOUSES RICARDO M. TAREDO AND TERESITA BARERA TAREDO, RESPONDENTS.

DECISION

PANGANIBAN, J.:

Is a sale of future inheritance valid? In multiple sales of the same real property, who has preference in ownership? What is the probative value of the lower court's finding of good faith in registration of such sales in the registry of property? These are the main questions raised in this Petition for review on certiorari under Rule 45 of the Rules of Court to set aside and reverse the Decision^[1] of the Court of Appeals^[2] in CA-G.R. CV NO. 24987 promulgated on September 26, 1991 affirming the decision of the Regional Trial Court, Branch 63, Third Judicial Region, Tarlac, Tarlac in Civil Case No. 6328, and its Resolution denying reconsideration thereof, promulgated on May 27, 1992.

By the Court's Resolution on October 25, 1995, this case (along with several others) was transferred from the First to the Third Division and after due deliberation, the Court assigned it to the undersigned ponente for the writing of this Decision.

The Facts

On October 20, 1962, Lazardo Tañedo executed a notarized deed of absolute sale in favor of his eldest brother, Ricardo Tañedo, and the latter's wife, Teresita Barera, private respondents herein, whereby he conveyed to the latter in consideration of P1,500.00, "one hectare of whatever share I shall have over Lot No. 191 of the cadastral survey of Gerona, Province of Tarlac and covered by Title T-13829 of the Register of Deeds of Tarlac," the said property being his "future inheritance" from his parents (Exh. 1). Upon the death of his father Matias, Lazaro executed an "Affidavit of Conformity" dated February 28, 1980 (Exh. 3) to "re-affirm, respect. acknowledge and validate the sale I made in 1962." On January 13, 1981, Lazaro executed another notarized deed of sale in favor of private respondents covering his "undivided ONE TWELVE (1/12) of a parcel of land known as Lot 191 x x (Exh. 4). He acknowledged therein his receipt of P 10,000.00 as consideration therefor. In February 1981, Ricardo learned that Lazaro sold the same property to his children, petitioners herein, through a deed of sale dated December 29, 1980 (Exh. E). On June 7, 1982, private respondents recorded the Deed of Sale (Exh. 4) in their favor in the Registry of Deeds and the corresponding entry was made in Transfer Certificate of Title No. 166451 (Exh. 5).

Petitioners on July 16, 1982 filed a complaint for rescission (plus damages) of the deeds of sale executed by Lazaro in favor of private respondents covering the property inherited by Lazaro from his father.

Petitioners claimed that their father, Lazaro, executed an "Absolute Deed of Sale" dated December 29, 1980 (Exh. E), conveying to his ten children his allotted portion under the extrajudicial partition executed by the heirs of Matias, which deed included the land in litigation (Lot 191).

Petitioners also presented in evidence: (1) a private writing purportedly prepared and signed by Matias dated December 28, 1978, stating that it was his desire that whatever inheritance Lazaro would receive from him should be given to his (Lazaro's) children (Exh. A); (2) a typewritten document dated March 10, 1979 signed by Lazaro in the presence of two witnesses, wherein he confirmed that he would voluntarily abide by the wishes of his father, Matias, to give to his (Lazaro's) children all the property he would inherit from the latter (Exh. B); and (3) a letter dated January 1, 1980 of Lazaro to his daughter, Carmela, stating that his share in the extrajudicial settlement of the estate of his father was intended for his children, petitioners herein (Exh. C).

Private respondents, however presented in evidence a "Deed of Revocation of a Deed of Sale" dated March 12, 1981 (Exh. 6), wherein Lazaro revoked the sale in favor of petitioners for the reason that it was "simulated or fictitious - without any consideration whatsoever."

Shortly after the case a quo was filed, Lazaro executed a sworn statement (Exh. G) which virtually repudiated the contents of the Deed of Revocation of a Deed of Sale (Exh. 6) and the Deed of Sale (Exh. 4) in favor of private respondents. However, Lazaro testified that he sold the property to Ricardo, and that it was a lawyer who induced him to execute a deed of sale in favor of his children after giving him five pesos (P5.00) to buy a "drink" (TSN September 18, 1985, pp. 204-205).

The trial court decided in favor of private respondents, holding that petitioners failed "to adduce a preponderance of evidence to support (their) claim." On appeal, the Court of Appeals affirmed the decision of the trial court, ruling that the Deed of Sale dated January 13, 1981 (Exh. 9) was valid and that its registration in good faith vested title in said respondents.

The Issues

Petitioners raised the following "errors" in the respondent Court, which they also now allege in the instant Petition:

"I. The trial court erred in concluding that the Contract of Sale of October 20, 1962 (Exhibit 7, Answer) is merely voidable or annulable and not void ab initio pursuant to paragraph 2 of Article 1347 of the New Civil Code involving as it does a 'future inheritance'.

"II. The trial court erred in holding that defendants-appellees acted in good faith in registering the deed of sale of January 13, 1981 (Exhibit 9) with the Register of Deeds of Tarlac and therefore ownership of the land

in question passed on to defendants-appellees.

"III. The trial court erred in ignoring and failing to consider the testimonial and documentary evidence of plaintiffs-appellants which clearly established by preponderance of evidence that they are indeed the legitimate and lawful owners of the property in question.

"IV. The decision is contrary to law and the facts of the case and the conclusions drawn from the established facts are illogical and off-tangent."

From the foregoing, the issues may be restated as follows:

1. Is the sale of a future inheritance valid?
2. Was the subsequent execution on January 13, 1981 (and registration with the Registry of Property) of a deed of sale covering the same property to the same buyers valid?
3. May this Court review the findings of the respondent Court (a) holding that the buyers acted in good faith in registering the said subsequent deed of sale and (b) in "failing to consider petitioners' evidence"? Are the conclusions of the respondent Court "illogical and off-tangent"?

The Court's Ruling

At the outset, let it be clear that the "errors" which are reviewable by this Court in this petition for review on certiorari are only those allegedly committed by the respondent Court of Appeals and not directly those of the trial court, which is not a party here. The "assignment of errors" in the petition quoted above are therefore totally misplaced, and for that reason, the petition should be dismissed. But in order to give the parties substantial justice we have decided to delve into the issues as above re-stated. The errors attributed by petitioners to the latter (trial) court will be discussed only insofar as they are relevant to the appellate court's assailed Decision and Resolution.

The sale made in 1962 involving future inheritance is not really at issue here. In context, the assailed Decision conceded "it may be legally correct that a contract of sale of anticipated future inheritance is null and void."^[3]

But to remove all doubts, we hereby categorically rule that, pursuant to Article 1347 of the Civil Code, "(n)o contract may be entered into upon a future inheritance except in cases expressly authorized by law."

Consequently, said contract made in 1962 is not valid and cannot be the source of any right nor the creator of any obligation between the parties.

Hence, the "affidavit of conformity" dated February 28, 1980, insofar as it sought to validate or ratify the 1962 sale, is also useless and, in the words of the respondent Court, "suffers from the same infirmity." Even private respondents in their memorandum^[4] concede this.