



Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

MYRNA C. PASCO,

Petitioner,

G.R. No. 214319

Present:

- versus -

LEONEN, J., *Chairperson,*
 HERNANDO,
 INTING,
 DELOS SANTOS, and
 ROSARIO, JJ.

ISABEL CUENCA, ROMEO M.
 YTANG, JR., and ESTHER C.
 YTANG,

Respondents.

Promulgated:

November 4, 2020

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DECISION

INTING, J.:

This is a Petition for Review on *Certiorari*¹ filed under Rule 45 of the Rules of Court assailing the Decision² dated August 27, 2014 of the Court of Appeals (CA) in CA-G.R. CV No.02386-MIN.

The Antecedents

At the core of the controversy is a parcel of land; Lot No. 38-B, situated in the Municipality of Katipunan, Province of Zamboanga del Norte with an area of 336 square meters, formerly registered in the names of Spouses Antonio Baguispas (Antonio) and Isabel Cuenca-Baguispas (Isabel) (collectively, Spouses Baguispas) under Transfer Certificate of Title (TCT) No. T-12461.³

¹ *Rollo*, pp. 22-33.

² *Id.* at 43-54; penned by Associate Justice Oscar V. Badelles with Associate Justices Romulo V. Borja and Edward B. Contreras, concurring.

³ *Id.* at 44.

On September 9, 1999, Myrna Pasco (petitioner) filed with Branch 6, Regional Trial Court (RTC), Dipolog City, a complaint for annulment of TCT, annulment of deed of sale, recovery of ownership and damages against Isabel and Spouses Romeo M. Ytang, Jr. and Esther C. Ytang (Spouses Ytang) (collectively, respondents) docketed as Civil Case No. 5437.⁴

Petitioner alleged that: (a) sometime in June 1986, the Spouses Baguispas offered to sell Lot No. 38-B to her for ₱50,000.00, to which she agreed; (b) pursuant to their agreement, the Spouses Baguispas executed a Deed of Sale of Real Property dated July 1, 1986 in her favor, which was duly notarized; (c) on March 3, 1987, Antonio died leaving no compulsory heir except his wife, Isabel; (d) on June 8, 1988, more than one year after Antonio's death, Isabel executed an affidavit of self-adjudication, conveying unto herself Lot No. 38-B; (e) without petitioner's knowledge, Isabel surreptitiously caused the transfer of title over Lot No. 38-B to her name and thereafter, sold the subject property to the Spouses Ytang, as evidenced by a Deed of Absolute Sale (DOAS) of a registered land dated May 8, 1998; and (f) consequently, Lot No. 38-B was registered under respondents' names in TCT No. T-62536.⁵

Thus, in her complaint, petitioner prayed that TCT No. T-62536 be cancelled for being spurious and the affidavit of self-adjudication and the DOAS dated May 8, 1998 executed by Isabel in favor of the Spouses Ytang be declared null and void.⁶

In their answer, respondents alleged that the sale of Lot No. 38-B to petitioner was fictitious and simulated as it was not supported by any consideration. According to them, the Spouses Baguispas only executed the Deed of Sale of Real Property dated July 1, 1986 in favor of petitioner for the purpose of showing the deed to the Social Security System (SSS) as collateral for the grant of the latter's loan application. Isabel later requested petitioner to execute a deed of conveyance of the subject property to her, but the latter refused saying that the deed of sale had no force and effect anyway.⁷

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 44-45.

Ruling of the RTC

On May 31, 2010, the RTC rendered judgment in favor of petitioner as follows:

WHEREFORE, IN VIEW OF THE FOREGOING, *by preponderance of evidence*, the Court hereby finds for the plaintiff (herein appellee). Judgment is hereby rendered:

- 1) declaring aforesaid TCT No. T-62536 issued in the name of Romeo Ytang, married to Esther Colot (herein appellants) as null and void, as well as the Absolute Deed of Sale of A Registered Land, executed on May 8, 1998 by defendant Isabel Cuenca in favor of the vendee Romeo Ytang;
- 2) declaring the plaintiff as the lawful owner of the house and lot identified as Lot 38-B situated in Katipunan, Zamboanga del Norte, with an area of 336 square meters and now covered by the aforesaid TCT No. T-62536;
- 3) directing the Register of Deeds of Zamboanga del Norte to reinstate TCT No. T-12461 issued in the name of spouses Antonio Baguispas and Isabel Cuenca and annotate thereon, in the event plaintiff shall cause the registration, the Deed of Sale of Real Estate dated July 1, 1986 executed in her favor by the spouses Antonio Baguispas and Isabel Cuenca.

No costs.

IT IS SO ORDERED.⁸

The RTC ruled that there was a valid sale between the Spouses Baguispas and petitioner. Accordingly, it rejected respondents' contention that the sale was simulated.⁹

Respondents moved for reconsideration, but the RTC denied it for

⁸ See Decision dated August 27, 2014 of the Court of Appeals, *id.* at 45-46.

⁹ *Id.* at 46.

lack of merit.¹⁰ Dissatisfied with the RTC ruling, respondents filed an appeal with the CA.

Ruling of the CA

In the Decision¹¹ dated August 27, 2014, the CA reversed and set aside the RTC Decision. It held that: *first*, the deed of sale between the Spouses Baguispas and petitioner is void *ab initio* for lack of consideration; *second*, the sale is void under Article 1471¹² of the Civil Code of the Philippines (Civil Code) considering that the price is simulated; and *third*, the parties had no intention of binding themselves at all to the sale.¹³

The CA observed that after the execution of the deed of sale on July 1, 1986 until the filing of the complaint with the RTC on September 9, 1999, petitioner never attempted in any manner to assert her ownership over the property in question. Such failure is a clear badge of simulation that renders the whole transaction void.¹⁴ Thus, the CA declared the subsequent sale between Isabel and the Spouses Ytang as valid.¹⁵

Hence, this petition.

Proceedings before the Court

In a Resolution¹⁶ dated January 28, 2015, the Court directed petitioner to submit, among others, proof of authority of Atty. Senen O. Angeles (Atty. Angeles), petitioner's counsel, to sign the verification of the petition/certification on non-forum shopping for and in behalf of petitioner.

¹⁰ *Id.*

¹¹ *Id.* at 43-54.

¹² Art. 1471 of the Civil Code of the Philippines provides:

Article 1471. If the price is simulated, the sale is void, but the act may be shown to have been in reality a donation, or some other act or contract. (Underscoring supplied.)

¹³ *Rollo*, p. 52.

¹⁴ *Id.*

¹⁵ *Id.* at 53.

¹⁶ *Id.* at 35-36.

In a Compliance and Manifestation¹⁷ dated June 1, 2015, Atty. Angeles alleged that petitioner had already died on August 19, 2011 at the Zanorte Medical Center in Dipolog City and her estate subject of the litigation has been under the possession of her heirs, represented by Emma P. Saile (Saile). He claimed that the present petition was filed in good faith by the heirs of petitioner, in the belief that they would be affected directly by the outcome of the case.¹⁸ Atty. Angeles also submitted a Letter of Authority¹⁹ dated September 20, 2014, signed by Saile, authorizing him to file a petition for review before the Court and to sign the verification/certification of non-forum shopping and all other documents necessary for the filing thereof.

In their Comment,²⁰ respondents argued that the counsel of petitioner has not shown any valid authority to commence the petition, and he cannot sign the verification as he has no personal knowledge of the facts of the case. Moreover, they averred that the petition is bereft of any direct citation to the evidence on record as required by the rules.²¹

In a Resolution²² dated July 5, 2016, the Court directed Atty. Angeles to show cause why he should not be disciplinarily dealt with or held in contempt for having failed to file a reply, and to submit the required reply.

In a Manifestation and Explanation²³ dated November 7, 2016, Atty. Angeles, through counsel, stated that the non-filing of the reply was not intended to defy any order or resolution of the Court. He claimed that despite his earnest effort, his clients, as represented by Saile, refused to come to his office, showing their lack of interest to prosecute the case. Hence, he prays that the submission of a reply be considered waived and that the instant case be resolved based on the pleadings already submitted.²⁴

¹⁷ *Id.* at 37-39.

¹⁸ *Id.* at 38.

¹⁹ *Id.* at 58.

²⁰ *Id.* at 60-80.

²¹ *Id.* at 60.

²² *Id.* at 88.

²³ *Id.* at 89-90.

²⁴ *Id.* at 90.

Thus, in a Resolution²⁵ dated April 25, 2018, the Court resolved to dispense with the filing of petitioner's reply.

The Issue

Whether the CA erred in ruling that the Deed of Sale of Real Property dated July 1, 1986 is null and void for lack of consideration and lack of intent by the parties to be bound by the deed of sale.²⁶

The Court's Ruling

At the outset, it bears stressing that a petition for review under Rule 45 is limited only to questions of law.²⁷ Thus, the Court will not entertain questions of fact as it is not the Court's function to analyze or weigh all over again the evidence already considered by the court *a quo*.²⁸ Although this rule is not absolute, the present petition failed to show why the exceptions²⁹ should be applied here. It is well settled that mere assertion that the case falls under the exceptions does not suffice.³⁰

Atty. Angeles had no authority to file the present petition in petitioner's behalf.

The rule is that upon the death of a party, his or her counsel has no

²⁵ *Id.* at 99.

²⁶ *Id.* at 26.

²⁷ Section 1, Rule 45, Rules of Court.

²⁸ *Miro v. Vda. de Erederos, et al.*, 721 Phil. 772, 785 (2013)

²⁹ The general rule for petitions filed under Rule 45 admits exceptions, to wit: (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record. (See *Ignacio v. Ragasa*, G.R. No. 227896, January 29, 2020)

³⁰ *Pascual v. Burgos, et al.*, 776 Phil. 167, 184 (2016).

further authority to appear, save to inform the court the fact of his or her client's death and to take steps to safeguard the decedent's interest, *unless* his or her services are further retained by the substitute parties.³¹ It is the counsel's duty to give the names and addresses of the legal heirs of the deceased and submit as far as practicable the latter's Death Certificate.³² "This is the *only* representation that a counsel can undertake after his client's death as the fact of death essentially terminates the lawyer-client relationship that they had with each other."³³

Here, it appears that Atty. Angeles had no authority to file the present petition with the Court considering that: *first*, his lawyer-client relationship with petitioner was necessarily terminated upon the latter's death on August 19, 2011,³⁴ or almost four years prior to the promulgation of the assailed CA Decision; and *second*, the records show that Atty. Angeles was only given authority by the heirs of petitioner, represented by Saile, to file the petition *after* the Court required him to submit proof that he was indeed authorized to sign the verification/certification of non-forum shopping in petitioner's behalf.³⁵ Worse, it was only at this point during the pendency of the case that Atty. Angeles notified the Court of petitioner's death.

In other words, Atty. Angeles filed the present petition in behalf of his dead client, who clearly had no personality to institute the appeal, or be represented by an attorney,³⁶ and without the authority of his client's legal representative/s or heirs. Thus, the petition should be denied on the ground of Atty. Angeles' lack of authority to file the petition and to sign the verification/certification of non-forum shopping in petitioner's behalf.

The sale of Lot No. 38-B between the Spouses Baguispas and petitioner is void for being absolutely simulated.

³¹ See *Judge Sumaljag v. Sps. Literato, et al.*, 578 Phil. 48 (2008).

³² Section 16, Rule 3 of the Rules of Court.

³³ *Siao v. Atty. Atup*, A.C. No. 10890, July 1, 2020, citing *Judge Sumaljag v. Sps. Literato, et al.*, supra note 31 at 56.

³⁴ *Rollo*, p. 38.

³⁵ *Id.* at 36.

³⁶ *Atty. Laviña v. Court of Appeals*, 253 Phil. 670, 680-681 (1989). Citations omitted.

In any case, the Court finds that the CA did not err in reversing the RTC Decision.

Article 1458 of the Civil Code defines a contract of sale in this wise: “[b]y the contract of sale one of the contracting parties obligates himself to transfer the ownership and to deliver a determinate thing, and the other to pay therefor a price certain in money or its equivalent.”

Otherwise stated, a contract of sale is a consensual contract which requires for its perfection and validity the meeting of the minds of the parties on the object and the price.³⁷ The essential elements of a contract of sale are: (a) consent or meeting of the minds, that is, consent to transfer ownership in exchange for the price; (b) determinate subject matter; and (c) price certain in money or its equivalent.³⁸ All these elements must be present to constitute a valid contract.

Respondents maintain that the subject deed of sale executed by the Spouses Baguispas in favor of petitioner is absolutely simulated as it was executed only to make it appear that the latter owned Lot No. 38-B for purposes of securing a loan. They claim that the Spouses Baguispas never really intended to sell the land to petitioner.

Simulation takes place when the parties do not really want the contract they have executed to produce the legal effects expressed by its wordings.³⁹ Article 1345 of the Civil Code provides that the “[s]imulation of a contract may either be absolute or relative. The former takes place when the parties do not intend to be bound at all; the latter, when the parties conceal their true agreement.”⁴⁰ Hence, in absolute simulation the contract is void, and the parties may recover from each other what they may have given under the contract.

In determining the true nature of a contract, the primary test is the intention of the parties.⁴¹ As the CA aptly pointed out, the Spouses

³⁷ *Akang v. Municipality of Isulan, Sultan Kudarat Province*, 712 Phil. 420, 435 (2013).

³⁸ *Reyes v. Tuparan*, 665 Phil. 425, 440 (2011).

³⁹ *Clemente v. Court of Appeals, et al.*, 771 Phil. 113, 124 (2015), citing *Sps. Lopez v. Sps. Lopez*, 620 Phil. 368, 378 (2009), further citing *Cruz v. Bancor Finance Corporation*, 429 Phil. 225, 233 (2002).

⁴⁰ *Id.*

⁴¹ *Id.* at 125.

Baguispas *never* intended to be bound by the subject deed of sale, *viz.*:

The Court is convinced that Spouses Baguispas out of pity for their niece and moved by close-knit familial ties agreed to execute the assailed Deed of Sale of Real Estate dated 1 July 1986 in favor of [petitioner] just to enable her to obtain a loan with SSS but spouses Baguispas never really intended to sell Lot No. 38-B to [petitioner] and they never received the amount of P50,000.00 stipulated in the simulated deed of sale.⁴² x x x.

The CA also quoted Isabel's testimony wherein she unequivocally stated that she and Antonio only signed the Deed of Sale of Real Property dated July 1, 1986 in order to accommodate petitioner's request for assistance in connection with her loan application with the SSS, to wit:

Q Do you remember if Myrna Pasco came home to your place in Katipunan sometime in the middle of 1986?

A Yes, ma'am.

Q Do you know the reason why she went home?

A She went home to borrow our title because she wanted to secure a loan from the SSS.

Q Did you agree with that?

A Yes, ma'am, because she pleaded.

Q And what did you do?

A We agreed but instead of giving her the title she wanted to ask me to execute a deed of sale in her favor.

Q I show to you a deed of sale of real estate previously marked as our exhibit "3," We would like to manifest, Your Honor, that exhibit "3" is the deed of absolute sale executed by Antonio Baguispas and Isabel Cuenca in favor of Myrna Pasco dated 1st day of July 1986 which is presently not available because it has been authenticated by the [petitioner] so we provisionally show to this witness exhibit which is annex "B" of the complaint, entitled Deed of Sale of Real Estate, please go over this if this is the same document which Myrna Pasco asked you for her intention to obtain a loan from the SSS?

A Yes ma'am.

⁴² Rollo, p. 49.

Q It stated here as in our exhibit "3" that the amount which Antonio Bagispas and yourself received was P50,000.00, did you actually receive P50,000.00 as a consideration of this deed of sale of real estate?

A Not even a single centavo.

Q Then why did you sign this deed of sale of real estate in favor of Myrna Pasco?

A *Because that was the one she pleaded for her to be able to secure a loan from the SSS and so I accommodated her.*⁴³ (Italics supplied.)

This was further corroborated by the testimony of Rene Pasco, petitioner's own brother. Thus:

Q Do you remember in 1986 when Myrna Pasco came to Katipunan from Manila?

A Yes, ma'am.

Q Do you remember why she visited Katipunan?

A Yes, ma'am.

Q Can you state to the record?

A As far as I can remember, sometime in 1986 my sister Myrna Pasco came home to Katipunan from Manila and had an agreement with my late Auntie Isabel Cuenca Bagispas to have that house loaned but the loan will be executed in Manila and that the title will be subsequently transferred to the name of my sister.

Court

Q (to the witness) *In other words, your sister Myrna Pasco requested that she be allowed to use the property in question as a collateral to a certain loan which she was going to obtain in Manila?*

A *Yes, Your Honor, that is it.*⁴⁴ (Italics supplied.)

Based on these considerations, the Court finds no cogent reason to overturn the CA's findings and conclusions. There is no question that the Deed of Sale of Real Property dated July 1, 1986 is void for being an absolutely simulated contract.

⁴³ *Id.* at 49-50.

⁴⁴ *Id.* at 50-51.

WHEREFORE, the petition is **DENIED** for lack of merit. The Decision dated August 27, 2014 of the Court of Appeals in CA-G.R. CV No.02386-MIN is **AFFIRMED**.

SO ORDERED.




HENRI JEAN PAUL B. INTING
Associate Justice


WE CONCUR:



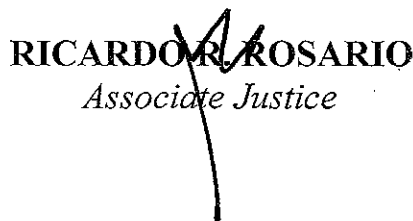
MARVIC M.V.F. LEONEN
Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice



EDGARDO L. DELOS SANTOS
Associate Justice



RICARDO R. ROSARIO
Associate Justice

ATTESTATION

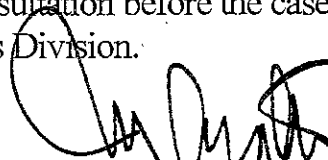
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice

