



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

BY: *[Signature]*

FIRST DIVISION

ISABELO CABALHIN,  
*Petitioner,*

G.R. No. 202029

Present:

- versus -

GESMUNDO, C.J.,  
*Chairperson,*  
CAGUIOA,  
LAZARO-JAVIER,  
LOPEZ, M., and  
LOPEZ, J., JJ.

SPOUSES BONIFACIO  
LANSUELA AND ISIDRA  
LANSUELA,\*  
*Respondents.*

Promulgated:

FEB 15 2022

*[Signature]*

X-----X

DECISION

GESMUNDO, C.J.:

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to set aside the July 20, 2011 Decision<sup>1</sup> and May 8, 2012 Resolution<sup>2</sup> of the Court of Appeals, Cagayan de Oro City (CA), in CA-G.R. CV No. 01914-MIN, which reversed the November 28, 2007 Decision<sup>3</sup> of the Regional Trial Court of Bayugan City, Agusan del Sur, Branch 7 (RTC), in Civil Case No. 669.

\* Also referred to as "Lanzuela" in some parts of the records.

<sup>1</sup> *Rollo*, pp. 11-18; penned by Associate Justice Edgardo A. Camello, with Associate Justices Abraham B. Borreta and Melchor Quirino C. Sadang, concurring.

<sup>2</sup> *Id.* at 47-48; penned by Associate Justice Edgardo A. Camello, with Associate Justices Edgardo T. Lloren and Melchor Quirino C. Sadang, concurring.

<sup>3</sup> *Id.* at 136-139; penned by Judge Hector B. Salise.

*[Handwritten mark]*

### Antecedents

The present controversy involves a parcel of agricultural land (irrigated riceland) situated in *Barangay* Dacutan, Municipality of Esperanza, Province of Agusan del Sur, with an area of 34,661 square meters. Said property is registered in the name of Isidoro Cabalhin (*Isidoro*) under Original Certificate of Title (*OCT*) No. P-2133<sup>4</sup> issued on September 3, 1958. Isidoro passed away in 1974.<sup>5</sup>

On May 31, 2002, Isabelo Cabalhin (*petitioner*) filed a Complaint<sup>6</sup> for Recovery of Possession with Preliminary and/or Temporary Restraining Order against the spouses Bonifacio Lansuela (*Bonifacio*) and Isidra Lansuela (collectively, *respondents*).

Petitioner alleged that he was in actual, public, continuous, peaceful and adverse possession of the subject land, having inherited the same from his father, Isidoro. During his lifetime, Isidoro was in actual possession and cultivation of the land. In June 1993, while petitioner was visiting relatives in Barobo, Surigao del Sur, Bonifacio, with the aid of some men, by means of force, intimidation, stealth, and strategy, entered the property and, thereafter, planted it with rice. Upon returning from Surigao del Sur in 1997,<sup>7</sup> petitioner immediately demanded that respondents vacate his property, but Bonifacio made threats against his life and safety and that of his family. Bonifacio further claimed to have bought the land from Isidoro, but petitioner could not recall any such conveyance made by his father who, one year before his demise, had given him OCT No. P-2133 and advised him to take good care of the land and administer it. Despite repeated demands to vacate, respondents refused to do so.<sup>8</sup>

In their Answer with Affirmative Defenses and [Counterclaims],<sup>9</sup> respondents averred that since May 1988, they had been in peaceful possession of the subject land on which they planted rice and other agricultural products. They narrated that the said property was already sold by Isidoro to Enrique Perales (*Perales*) under a Deed of Sale<sup>10</sup> dated June 20, 1968. The heirs of Perales sold the same to Teodoro Estorion (*Estorion*) by virtue of a Deed of Extrajudicial Partition with Simultaneous Sale<sup>11</sup> dated

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<sup>4</sup> Records, pp. 7-8.

<sup>5</sup> Id. at 245.

<sup>6</sup> Id. at 1-5.

<sup>7</sup> *Rollo*, p. 64.

<sup>8</sup> Records, pp. 1-3.

<sup>9</sup> Id. at 19-23.

<sup>10</sup> Id. at 183-184 (with thumbmark placed above the name Isidoro Cabalhin).

<sup>11</sup> Id. at 185.

August 31, 1973. Under a Deed of Sale<sup>12</sup> dated January 24, 1979, Estorion sold the property to Segros Manaay (*Manaay*)<sup>13</sup> who, in turn, sold it to Bonifacio under a Deed of Absolute Sale<sup>14</sup> dated May 9, 1988. Moreover, respondents had been paying the real estate taxes due on the land, as evidenced by receipts of tax payments.<sup>15</sup>

In its April 23, 2003 Order,<sup>16</sup> the trial court granted petitioner's plea for a Temporary Restraining Order (*TRO*), enjoining respondents to cease and desist from further planting rice on the disputed land, to vacate the same, and to refrain from disturbing petitioner's possession and occupation of the premises.

On September 19, 2003, the trial court ordered that the proceeds of the harvest from the subject land be deposited with the court.<sup>17</sup>

At the pre-trial, the parties agreed to a simultaneous filing of position papers and, thereafter, the case would be submitted for resolution.<sup>18</sup>

### **The RTC Ruling**

On November 28, 2007, the trial court rendered judgment in favor of petitioner. It held that the certificate of title in the possession of petitioner serves as an indefeasible and incontrovertible title in favor of the person whose name appears thereon. On the other hand, mere payment of taxes by the respondents is not an evidence of ownership. Significantly, the series of deeds of sale were not registered despite the lapse of 35 years, which is not the usual practice of persons who register real property to prove their ownership by purchase. The Court opined that the failure of the respondents to register the land over a considerable length of time implies that they do not believe themselves to be the owners. Without such registration, ownership is not transferred, thus, petitioner, being the only child of the registered owner, became the exclusive owner of the subject property by operation of law.<sup>19</sup>

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<sup>12</sup> Id. at 186.

<sup>13</sup> Also referred to as "Mana-ay" in some parts of the records.

<sup>14</sup> Records, p. 187.

<sup>15</sup> Id. at 32-36 (Amended Answer with Affirmative Defenses and Counterclaims).

<sup>16</sup> Id. at 50.

<sup>17</sup> Id. at 78.

<sup>18</sup> Id. at 238.

<sup>19</sup> *Rollo*, pp. 136-139.

The dispositive portion of the RTC decision reads:

WHEREFORE, judgment is hereby rendered declaring plaintiff ISABELO CABALHIN the lawful owner of the land situated in Dacutan, Esperanza, Agusan del Sur with Original Certificate of Title No. P-2133 under the name of his father Isidoro Cabalhin.

The Court further declared, ordering herein defendant under the following:

1. to pay the plaintiff the amount of Php50,000.00 as moral damages[;]
2. to pay the plaintiff the amount of Php20,000.00 as exemplary damages[; and]
3. to pay the plaintiff the amount of Php10,000.00 as necessary litigation expenses.

Likewise, in order to avoid the acts complained of by herein plaintiff, let a Permanent Injunction be issued against herein defendant.

SO ORDERED.<sup>20</sup>

Respondents filed a Motion for Reconsideration<sup>21</sup> dated December 28, 2007, which was denied by the trial court on March 5, 2008.<sup>22</sup>

Subsequently, on March 14, 2008, respondents filed a Motion for New Trial<sup>23</sup> based on newly discovered evidence. Meanwhile, the trial court issued a Writ of Permanent Injunction<sup>24</sup> dated March 19, 2008.

On March 24, 2008, respondents filed an Omnibus Motion to Stay or Lift Permanent Writ of Injunction under Supersedeas Bond.<sup>25</sup> On the same day, they also filed a Notice of Appeal,<sup>26</sup> but this was ordered withdrawn considering that the trial court had earlier directed petitioner to submit his comment on the motion for new trial.<sup>27</sup> Petitioner filed his Opposition to Stay Writ of Permanent Injunction.<sup>28</sup> In its May 5, 2008 Order,<sup>29</sup> the trial

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<sup>20</sup> Id. at 139.

<sup>21</sup> Id. at 140-149.

<sup>22</sup> Records, pp. 376-377.

<sup>23</sup> Id. at 354-362.

<sup>24</sup> Id. at 372-374.

<sup>25</sup> Id. at 381-385.

<sup>26</sup> Id. at 387-388.

<sup>27</sup> Id. at 391-392.

<sup>28</sup> Id. at 415-420.

<sup>29</sup> Id. at 423.

court denied respondents' omnibus motion. Respondents' motion for new trial was likewise denied under the trial court's August 15, 2008 Resolution.<sup>30</sup>

On August 26, 2008, respondents filed a notice of appeal, which was initially denied for having been filed out of time.<sup>31</sup> In their motion for reconsideration, respondents sought to avail of the fresh period to appeal, in accordance with the ruling in *Neypes v. Court of Appeals*.<sup>32</sup> Accordingly, the notice of appeal was given due course while petitioner's motion for execution was denied.<sup>33</sup>

### CA Ruling

In its Decision,<sup>34</sup> the CA disagreed with the trial court that the failure to register the sale over the subject land has rendered it unenforceable. It ruled that an unrecorded deed of sale is binding between the parties and their privies because actual notice is equivalent to registration. Stressing that registration is not a mode of acquiring ownership, the CA noted that the four deeds of sale in 1968, 1973, 1979, and 1988 were all notarized documents, which carried the evidentiary weight conferred by law upon duly executed instruments.<sup>35</sup>

The CA further faulted petitioner for failing to discharge his burden of showing that the land possessed by respondents is the very same property that belongs to him, and that the sales embodied in the series of documents presented by the respondents were bogus. Neither was there any allegation in the complaint that the deed of sale in favor of respondents was fake, forged or simulated.<sup>36</sup>

### Issue

Whether or not respondents acquired ownership of the land covered by OCT No. P-2133 in the name of Isidoro.

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<sup>30</sup> Id. at 455.

<sup>31</sup> Id. at 458-459-A, 466-467.

<sup>32</sup> 506 Phil. 613 (2005).

<sup>33</sup> Records, pp. 495-496.

<sup>34</sup> *Rollo*, pp. 11-18.

<sup>35</sup> Id. at 16-17.

<sup>36</sup> Id. at 17.

*Petitioner's Arguments*

Petitioner argues that the purported deeds of sale did not transfer ownership of the subject land to respondents and the alleged vendees before him considering that these were not registered as required by law. Besides, respondents and the previous alleged vendees were not purchasers in good faith, being aware of petitioner's cultivation of the land at the time they supposedly bought it, and that the title was not delivered to anyone of them. Registration being the operative act that binds the land, the unregistered deeds of sale did not make the alleged vendees, nor respondents, the owners of the disputed land.<sup>37</sup>

*Respondents' Arguments*

Respondents contend that mere possession by petitioner of the certificate of title did not validate his claim of ownership over the subject land already conveyed by his father during his lifetime. Isidoro had, thus, lost ownership of his property which was already excluded from the inheritance of petitioner. Moreover, none of the series of deeds of transfers had been contested by petitioner as to their genuineness and due execution.<sup>38</sup>

**The Court's Ruling**

The petition is meritorious.

The pertinent provisions of the Civil Code are Articles 1496, 1497, 1498, and 1501 which read:

ART. 1496. The ownership of the thing sold is acquired by the vendee from the moment it is delivered to him in any of the ways specified in Articles 1497 to 1501, or in any other manner signifying an agreement that the possession is transferred from the vendor to the vendee.

ART. 1497. The thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee.

ART. 1498. When the sale is made through a public instrument, the execution thereof shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred.

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<sup>37</sup> Id. at 59-61, 64-67.

<sup>38</sup> Id. at 224-225.



x x x x

ART. 1501. With respect to incorporeal property, the provisions of the first paragraph of Article 1498 shall govern. In any other case wherein said provisions are not applicable, the placing of the titles of ownership in the possession of the vendee or the use by the vendee of his rights, with the vendor's consent, shall be understood as a delivery.

Under the Civil Code, the "ownership of the thing sold shall be transferred to the vendee upon the actual or constructive delivery thereof."<sup>39</sup> Here, the CA recognized respondents' ownership of the subject land pursuant to the deeds of sale which were supposedly conveyances by Isidoro, his buyer Perales, and subsequent vendees. Essentially, Bonifacio's claim is anchored on the conveyance made by Manaay under the Deed of Absolute Sale<sup>40</sup> dated May 9, 1988. The CA was apparently convinced by respondents' position that the execution by Manaay of the said document was sufficient to *transfer* ownership of the land described therein to them as vendees.

While a contract of sale is perfected by mere consent, ownership of the thing sold is acquired only upon its delivery to the buyer. Upon the perfection of the sale, the seller assumes the obligation to transfer ownership and to deliver the thing sold, but the real right of ownership is transferred only "by tradition" or delivery thereof to the buyer.<sup>41</sup>

In *Equatorial Realty Development, Inc. v. Mayfair Theater, Inc.*,<sup>42</sup> the Court expounded on the concept of delivery, thus:

Delivery has been described as a composite act, a thing in which both parties must join and the minds of both parties concur. **It is an act by which one party parts with the title to and the possession of the property, and the other acquires the right to and the possession of the same.** In its natural sense, delivery means something in addition to the delivery of property or title; it means transfer of possession. In the Law on Sales, delivery may be either actual or constructive, but both forms of delivery contemplate "the absolute giving up of the control and custody of the property on the part of the vendor, and the assumption of the same by the vendee."<sup>43</sup> (emphasis and underscoring supplied)

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<sup>39</sup> CIVIL CODE, Art. 1477.

<sup>40</sup> Records, p. 187.

<sup>41</sup> *Desiderio Dalisay Investments, Inc. v. Social Security System*, 829 Phil. 341, 365-366 (2018).

<sup>42</sup> 421 Phil. 709 (2001).

<sup>43</sup> *Id.* at 731.

The concept of “delivery” for the acquisition of the right of ownership was further elucidated in *Cebu Winland Development Corporation v. Ong Siao Hua*:<sup>44</sup>

Under the Civil Code, ownership does not pass by mere stipulation but only by delivery. Manresa explains, “**the delivery of the thing [x x x] signifies that title has passed from the seller to the buyer.**” According to Tolentino, the purpose of delivery is not only for the enjoyment of the thing but also a mode of acquiring dominion and determines the transmission of ownership, the birth of the real right. The delivery under any of the forms provided by Articles 1497 to 1505 of the Civil Code **signifies that the transmission of ownership from vendor to vendee has taken place.**<sup>45</sup> (emphases supplied)

In this case, the CA erred in ruling that ownership of the disputed land was validly transferred to respondents by virtue of the deed of absolute sale executed by Manaay despite the latter not being in possession of either the land or the title. Respondents, as vendees, were not placed in possession and control of the land they bought simply because Manaay did not have such possession. In other words, Manaay could not have effected a constructive delivery of the land to respondents by his execution of the Deed of Absolute Sale dated May 9, 1988.

As the Court held in *Spouses Santiago v. Villamor*:<sup>46</sup>

Article 1477 of the Civil Code recognizes that the “ownership of the thing sold shall be transferred to the vendee upon the actual or constructive delivery thereof.” Related to this article is Article 1497 which provides that “[t]he thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee.”

With respect to incorporeal property, Article 1498 of the Civil Code lays down the general rule: the execution of a public instrument “shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred.” However, **the execution of a public instrument gives rise only to a [prima facie] presumption of delivery, which is negated by the failure of the vendee to take actual possession of the land sold. “[A] person who does not have actual possession of the thing sold cannot transfer constructive possession by the execution and delivery of a public instrument.”**

**In this case, no constructive delivery of the land transpired upon the execution of the deed of sale since it was not the spouses**

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<sup>44</sup> 606 Phil. 103 (2009).

<sup>45</sup> Id. at 114.

<sup>46</sup> 699 Phil. 297 (2012).



**Villamor, Sr. but the respondents who had actual possession of the land. The presumption of constructive delivery is inapplicable and must yield to the reality that the petitioners were not placed in possession and control of the land.**<sup>47</sup> (emphases supplied)

There being no actual or constructive delivery of the land subject of the sale between Manaay and respondents, the latter did not acquire its ownership. Under the circumstances, when their vendor Manaay had no possession of either the land or the title despite the alleged prior sale transactions over the property, respondents should have been put on guard and should have investigated further why petitioner remains the possessor of the land which was supposedly sold a long time ago. In fact, none of the alleged vendees had taken possession of the land. On this matter, the trial court aptly observed that these purported vendees' unexplained failure and neglect to register the sales in their favor for a considerable period of time is simply contrary to the usual practice of purchasers of real property, which leads to the conclusion that they did not regard themselves as owners. Even Bonifacio failed to register his interest or claim and just proceeded to pay real property taxes without actual delivery of the property to him.

Indeed, it is "uncharacteristic of a conscientious buyer of real estate not to cause the immediate registration of his deed of sale, as well as the issuance of a new certificate of title in his name."<sup>48</sup> More so in this case, where the inaction of the purported vendees lasted for more than 30 years. Petitioner was in possession of both the land and the title all through those years, his possession and cultivation having been disturbed only in June 1993 by respondents who took advantage of his temporary absence.

While We sustain the trial court's disposition on the issue of ownership, We find its award of moral and exemplary damages, as well as litigation expenses in favor of petitioner, as bereft of factual and legal support. Hence, the same must be deleted.

**WHEREFORE**, the petition is **GRANTED**. The July 20, 2011 Decision and May 8, 2012 Resolution of the Court of Appeals, Cagayan de Oro City in CA-G.R. CV No. 01914-MIN are hereby **SET ASIDE**. The November 28, 2007 Decision of the Regional Trial Court of Bayugan City, Agusan del Sur, Branch 7, in Civil Case No. 669, is hereby **REINSTATED** with **MODIFICATION** that the awards of damages and litigation costs are **DELETED**.

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<sup>47</sup> Id. at 304-305.

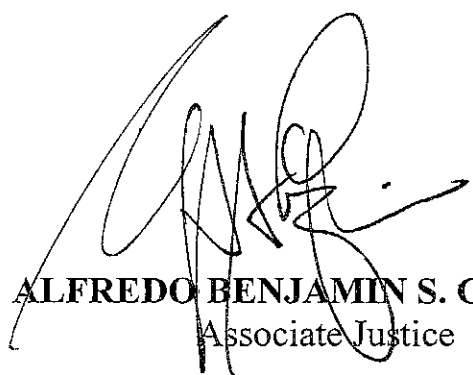
<sup>48</sup> *Mahilum v. Spouses Ilano*, 761 Phil. 334, 351 (2015).



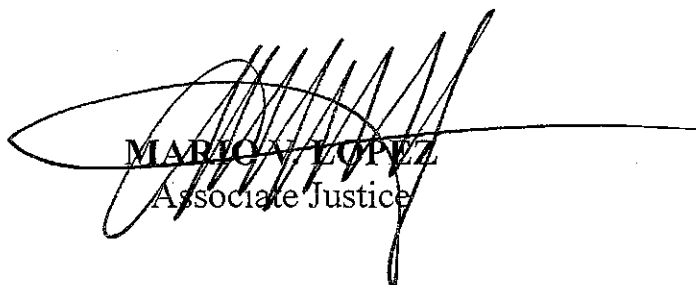
**SO ORDERED.**

  
**ALEXANDER G. GESMUNDO**  
Chief Justice

**WE CONCUR:**

  
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

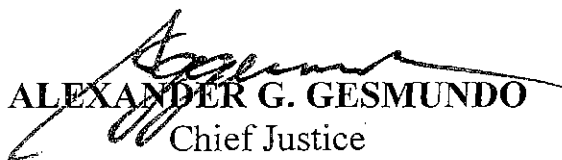
  
**AMY C. LAZARO-JAVIER**  
Associate Justice

  
**MARICO V. LOPEZ**  
Associate Justice

  
**JHOSEP V. LOPEZ**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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.

  
**ALEXANDER G. GESMUNDO**  
Chief Justice