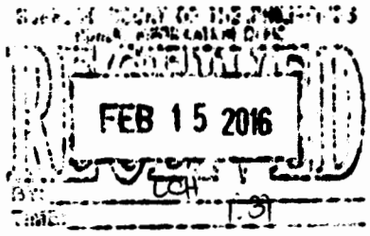
Republic of the Philippines
Supreme Court
Manila



FIRST DIVISION

MACTAN CEBU INTERNATIONAL AIRPORT AUTHORITY [MCIAA], Petitioner,	**G.R. No. 173140**
-versus-	Present: SERENO, *C.J.*, LEONARDO-DE CASTRO, BERSAMIN, PEREZ, and PERLAS-BERNABE, *JJ.*
HEIRS OF GAVINA IJORDAN, namely, JULIAN CUISON, FRANCISCA CUISON, DAMASINA CUISON, PASTOR CUISON, ANGELINA CUISON, MANSUETO CUISON, BONIFACIA CUISON, BASILIO CUISON, MOISES CUISON, and FLORENCIO CUISON, Respondents.	Promulgated: JAN 11 2016

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DECISION

BERSAMIN, *J.*:

A sale of jointly owned real property by a co-owner without the express authority of the others is unenforceable against the latter, but valid and enforceable against the seller.

The Case

This appeal assails the decision promulgated on February 22, 2006 in CA-G.R. CV No. 61509,[1] whereby the Court of Appeals (CA) affirmed the

[1] *Rollo*, pp. 8-18; penned by Associate Justice Apolinario D. Bruselas, Jr., with the concurrence of Associate Justice Arsenio J. Magpale (retired/deceased) and Associate Justice Vicente L. Yap (retired).

orders issued by the Regional Trial Court, Branch 53, in Lapu-Lapu City (RTC) on September 2, 1997,[2] and March 6, 1998.[3]

Antecedents

On October 14, 1957, Julian Cuizon (Julian) executed a Deed of Extrajudicial Settlement and Sale[4] (Deed) covering Lot No. 4539 (subject lot) situated in Ibo, Municipality of Opon (now Lapu-Lapu City) in favor of the Civil Aeronautics Administration (CAA), the predecessor-in-interest of petitioner Manila Cebu International Airport Authority (MCIAA). Since then until the present, MCIAA remained in material, continuous, uninterrupted and adverse possession of the subject lot through the CAA, later renamed the Bureau of Air Transportation (BAT), and is presently known as the Air Transportation Office (ATO). The subject lot was transferred and conveyed to MCIAA by virtue of Republic Act No. 6958.

In 1980, the respondents caused the judicial reconstitution of the original certificate of title covering the subject lot (issued by virtue of Decree No. 531167). Consequently, Original Certificate of Title (OCT) No. RO-2431 of the Register of Deeds of Cebu was reconstituted for Lot No. 4539 in the names of the respondents' predecessors-in-interest, namely, Gavina Ijordan, and Julian, Francisca, Damasina, Marciana, Pastor, Angela, Mansueto, Bonifacia, Basilio, Moises and Florencio, all surnamed Cuison.[5] The respondents' ownership of the subject lot was evidenced by OCT No. RO-2431. They asserted that they had not sold their shares in the subject lot, and had not authorized Julian to sell their shares to MCIAA's predecessor-in-interest.[6]

The failure of the respondents to surrender the owner's copy of OCT No. RO-2431 prompted MCIAA to sue them for the cancellation of title in the RTC,[7] alleging in its complaint that the certificate of title conferred no right in favor of the respondents because the lot had already been sold to the Government in 1957; that the subject lot had then been declared for taxation purposes under Tax Declaration No. 00387 in the name of the BAT; and that by virtue of the Deed, the respondents came under the legal obligation to surrender the certificate of title for cancellation to enable the issuance of a new one in its name.

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2 Id. at 95-99.
3 Id. at 112-113.
4 Id. at 59-61, 9-10.
5 Id. at 63-64.
6 Id. at 95-96.
7 Id. at 65-70.

At the trial, MCIAA presented Romeo Cueva, its legal assistant, as its sole witness who testified that the documents pertaining to the subject lot were the Extrajudicial Settlement and Sale and Tax Declaration No. 00387 in the name of the BAT; and that the subject lot was utilized as part of the expansion of the Mactan Export Processing Zone Authority I.[8]

After MCIAA's presentation of evidence, the respondents moved to dismiss the complaint upon the Demurrer to Evidence dated February 3, 1997,[9] contending that the Deed and Tax Declaration No. 00387 had no probative value to support MCIAA's cause of action and its prayer for relief. They cited Section 3, Rule 130 of the *Rules of Court* which provided that "when the subject of inquiry is the contents of a document, no evidence shall be admissible other than the original document itself." They argued that what MCIAA submitted was a mere photocopy of the Deed; that even assuming that the Deed was a true reproduction of the original, the sale was unenforceable against them because it was only Julian who had executed the same without obtaining their consent or authority as his co-heirs; that Article 1317 of the *Civil Code* provided that "no one may contract in the name of another without being authorized by the latter, or unless he has by law a right to represent him;" and that the tax declaration had no probative value by virtue of its having been derived from the unenforceable sale.

MCIAA opposed the Demurrer to Evidence in due course.[10]

In its order dated September 2, 1997,[11] the RTC dismissed MCIAA's complaint insofar as it pertained to the shares of the respondents in Lot No. 4539 but recognized the sale as to the 1/22 share of Julian, disposing as follows:

> Wherefore, in the light of the foregoing considerations, defendants' demurrer to evidence is granted with qualification. Consequently, plaintiff's complaint is hereby dismissed insofar as it pertains to defendants' shares of Lot No. 4539, as reflected in Original Certificate of Title No. RO 2431. Plaintiff, however, is hereby declared the owner of 1/22 share of Lot No. 4539. In this connection, the Register of Deeds of Lapu-Lapu City is hereby directed to effect the necessary change in OCT No. RO-2431 by replacing as one of the registered owners, "**Julian Cuizon,** married to **Marcosa Cosef**", with the name of plaintiff. No pronouncement as to costs.
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> SO ORDERED.[12]

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8 Id. at 96.
9 Id. at 89-92.
10 Id. at 93-94.
11 Id. at 95-99.
12 Id. at 99.

The RTC observed that although it appeared from the Deed that vendor Julian was the only heir of the late Pedro Cuizon, thereby adjudicating unto himself the whole of Lot No. 4539, it likewise appeared from the same Deed that the subject lot was covered by Cadastral Case No. 20, and that Decree No. 531167 had been issued on July 29, 1930; that having known that the subject lot had been covered by the decree issued long before the sale took place, the more appropriate thing that MCIAA or its representatives should have done was to check the decreed owners of the lot, instead of merely relying on the tax declaration issued in the name of Pedro Cuizon and on the statement of Julian; that the supposedly uninterrupted possession by MCIAA and its predecessors-in-interest was not sufficiently established, there being no showing of the improvements introduced on the property; and that even assuming that MCIAA had held the material possession of the subject lot, the respondents had remained the registered owners of Lot No. 4539 and could not be prejudiced by prescription.

MCIAA moved for reconsideration,[13] but the RTC denied its motion on March 6, 1998.[14]

MCIAA appealed to the CA, submitting that:[15]

> I. THE TRIAL COURT ERRED IN RULING THAT ONLY THE SHARE OF JULIAN CUIZON WAS SOLD TO PLAINTIFF-APPELLANT WAY BACK IN 1957.
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> II. THE TRIAL COURT ERRED IN DISREGARDING THE UN-EXPLAINED, UNREASONABLE AND TEDIOUS INACTION OF DEFENDANT-APPELLEES WHICH CONSTITUTE THEIR IMPLIED RATIFICATION OF THE SALE WHICH THEY CANNOT NOW CONVENIENTLY IMPUGN IN ORDER TO TAKE ADVANTAGE OF THE PHENOMENAL RISE IN LAND VALUES IN MACTAN ISLAND.
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> III. THE TRIAL COURT ERRED IN RULING THAT PLAINTIFF-APPELLANT HAS NOT PROVEN POSSESSION OVER SAID LOT.
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> IV. THE TRIAL COURT ERRED IN NOT CONSIDERING MOTO-PROPRIO DEFENDANTS-APPELLEES AS GUILTY OF LACHES AND/OR ESTOPPEL IN THE FACE OF CLEAR EVIDENCE FROM THE VERY FACTS OF THE CASE ITSELF; IT SHOULD BE NOTED, MOREVER THAT IT WAS PLAINTIFF-APPELLANT WHO INITIATED THE COMPLAINT HENCE THE SAME COULD NOT PROPERLY BE RAISED AS DEFENSES HEREIN BY PLAINTIFF-APPELLANT.

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[13] Id. at 100-111.
[14] Id. at 112-113.
[15] Id. at 152-153.

V. THE TRIAL COURT ERRED IN DISREGARDING THE VALID PROVISION OF THE EXTRAJUDICIAL SETTLEMENT AND SALE THAT DEFENDANTS-APPELLEES MERELY HOLD THE TITLE IN TRUST FOR PLAINTIFF-APPELLANT AND ARE THEREFORE OBLIGATED TO SURRENDER THE SAME TO PLAINTIFF-APPELLANT SO THE TITLE COULD BE TRANSFERRED TO IT AS THE VENDEE WAY BACK IN 1957.

In the assailed decision promulgated on February 22, 2006,[16] the CA affirmed the orders of the RTC issued on September 2, 1997[17] and March 6, 1998.[18]

The CA subsequently denied MCIAA's motion for reconsideration[19] on June 15, 2006.[20]

Issues

In this appeal, MCIAA submits the following grounds:[21]

THE COURT OF APPEALS GRAVELY ERRED IN NOT CONSIDERING THE FOLLOWING:

I. RESPONDENTS WERE FULLY AWARE OF THE SALE OF THE SUBJECT LOT IN 1957 AND PETITIONER'S CONTINUOUS POSSESSION THEREOF.

II. RESPONDENTS' INACTION FOR MORE THAN THIRTY (30) YEARS TO RECOVER POSSESSION OF THE LOT AMOUNTS TO AN IMPLIED RATIFICATION OF THE SALE.

III. PETITIONER'S POSSESSION OF THE LOT SINCE 1957 IS BORNE BY THE CASE RECORD.

IV. RESPONDENTS ARE CLEARLY GUILTY OF ESTOPPEL BY LACHES, WHICH LEGALLY BARS THEM FROM RECOVERING POSSESSION OF THE LOT.

In other words, was the subject lot validly conveyed in its entirety to the petitioner?

In support of its appeal, MCIAA insists that the respondents were fully aware of the transaction with Julian from the time of the consummation

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16 Supra note 1.
17 Supra note 2.
18 Supra note 3.
19 Id. at 166-175.
20 Id. at 19-20.
21 Id. at 29-30.

of the sale in 1957, as well as of its continuous possession thereof;[22] that what was conveyed by Julian to its predecessor-in-interest, the CAA, was the entirety of Lot No. 4539, consisting of 12,012 square meters, not just his share of 1/22 of the whole lot; that the respondents were guilty of inexplicable inaction as to the sale, which manifested their implied ratification of the supposedly unauthorized act of Julian of selling the subject lot in 1957; that although the respondents were still minors at the time of the execution of the sale, their ratification of Julian's act became evident from the fact that they had not impugned the sale upon reaching the age of majority; that they asserted their claim only after knowing of the phenomenal rise in the value of the lot in the area despite their silence for more than 30 years; and that they did not assert ownership for a long period, and did not exercise physical and constructive possession by paying the taxes or declaring the property for taxation purposes.

On their part, the respondents aver that they were not aware of the sale of the subject lot in 1957 because the sale was not registered, and because the subject lot was not occupied by MCIAA or its lessee;[23] that they became aware of the claim of MCIAA only when its representative tried to intervene during the reconstitution of the certificate of title in 1980; and that one of the co-owners of the property, Moises Cuison, had been vigilant in preventing the occupation of the subject lot by other persons.

Ruling of the Court

The appeal has no merit.

Firstly, both the CA and the RTC found the Deed and the Tax Declaration with which MCIAA would buttress its right to the possession and ownership of the subject lot insufficient to substantiate the right of MCIAA to the relief sought. Considering that possession was a factual matter that the lower courts had thoroughly examined and based their findings on, we cannot undo their findings. We are now instead bound and concluded thereby in accordance with the well-established rule that the findings of fact of the trial court, when affirmed by the CA, are final and conclusive. Indeed, the Court is not a trier of facts. Moreover, this mode of appeal is limited to issues of law; hence, factual findings should not be reviewed unless there is a showing of an exceptional reason to review them. Alas, that showing is not made.

Secondly, the CA and the RTC concluded that the Deed was void as far as the respondents' shares in the subject lot were concerned, but valid as to Julian's share. Their conclusion was based on the absence of the authority

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22 Id. at 30.
23 Id. at 192.

from his co-heirs in favor of Julian to convey their shares in the subject lot. We have no reason to overturn the affirmance of the CA on the issue of the respondents' co-ownership with Julian. Hence, the conveyance by Julian of the entire property pursuant to the Deed did not bind the respondents for lack of their consent and authority in his favor. As such, the Deed had no legal effect as to their shares in the property. Article 1317 of the *Civil Code* provides that no person could contract in the name of another without being authorized by the latter, or unless he had by law a right to represent him; the contract entered into in the name of another by one who has no authority or legal representation, or who has acted beyond his powers, is unenforceable, unless it is ratified, expressly or impliedly, by the person on whose behalf it has been executed, before it is revoked by the other contracting party. But the conveyance by Julian through the Deed had full force and effect with respect to his share of 1/22 of the entire property consisting of 546 square meters by virtue of its being a voluntary disposition of property on his part. As ruled in *Torres v. Lapinid*[24]:

> x x x even if a co-owner sells the whole property as his, the sale will affect only his own share but not those of the other co-owners who did not consent to the sale. This is because the sale or other disposition of a co-owner affects only his undivided share and the transferee gets only what would correspond to his grantor in the partition of the thing owned in common.

MCIAA's assertion of estoppel or ratification to bar the respondents' contrary claim of ownership of their shares in the subject lot is bereft of substance. The doctrine of estoppel applied only to those who were parties to the contract and their privies or successors-in-interest.[25] Moreover, the respondents could not be held to ratify the contract that was declared to be null and void with respect to their share, for there was nothing for them to ratify. Verily, the Deed, being null and void, had no adverse effect on the rights of the respondents in the subject lot.

Lastly, MCIAA's contention on acquisitive prescription in its favor must fail. Aside from the absence of the satisfactory showing of MCIAA's supposed possession of the subject lot, no acquisitive prescription could arise in view of the indefeasibility of the respondents' Torrens title. Under the Torrens System, no adverse possession could deprive the registered owners of their title by prescription.[26] The real purpose of the Torrens System is to quiet title to land and to stop any question as to its legality forever. Thus, once title is registered, the owner may rest secure, without the necessity of waiting in the portals of the court, or sitting on the *mirador su casa* to avoid the possibility of losing his land.[27]

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[24] G.R. No. 187987, November 26, 2014.
[25] Article 1439, *Civil Code*.
[26] *Bishop v. Court of Appeals*, G.R. No. 86787, May 8, 1992, 208 SCRA 636, 641.
[27] *Francisco v. Rojas*, G.R. No. 167120, April 23, 2014, 723 SCRA 423, 450-451.

WHEREFORE, the Court **DENIES** the petition for review on *certiorari*; and **AFFIRMS** the decision promulgated on February 22, 2006.

No pronouncement on costs of suit.

SO ORDERED.

LUCAS P. BERSAMIN
Associate Justice

WE CONCUR:

MARIA LOURDES P. A. SERENO
Chief Justice

TERESITA J. LEONARDO-DE CASTRO
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

ESTELA M. PERLAS-BERNABE
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.

MARIA LOURDES P. A. SERENO
Chief Justice