



Republic of the Philippines  
 Supreme Court  
 Manila

SECOND DIVISION

THE MISSIONARY SISTERS OF  
 OUR LADY OF FATIMA (PEACH  
 SISTERS OF LAGUNA), represented  
 by Rev. Mother Ma. Concepcion R.  
 Realon, et al.,

Petitioners,

- versus -

G.R. No. 224307

Present:

CARPIO, J.,  
 Chairperson,  
 PERALTA,  
 PERLAS-BERNABE,  
 CAGUIOA, and  
 REYES, JR., JJ.

Promulgated:

AMANDO V. ALZONA, et al.,  
 Respondents.

06 AUG 2018

*H.M. Cabalag Perfecto*

X-----X

DECISION

REYES, JR., J.:

Before this Court is a petition for review on *certiorari*<sup>1</sup> under Rule 45 of the Rules of Court seeking to annul and set aside the Decision<sup>2</sup> dated January 7, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 101944, and its Resolution<sup>3</sup> dated April 19, 2016, denying the motion for reconsideration thereof. The assailed decision partly granted the respondents' appeal and set aside the Decision<sup>4</sup> dated August 14, 2013 of the Regional Trial Court (RTC) of Calamba City, Branch 92 in Civil Case No. 3250-02-C.

<sup>1</sup> Rollo, pp. 12-32.

<sup>2</sup> Penned by Associate Justice Ma. Luisa C. Quijano-Padilla, with Associate Justices Normandie B. Pizarro and Samuel H. Gaerlan, concurring; id. at 58-68.

<sup>3</sup> Id. at 69-71.

<sup>4</sup> Rendered by Judge Alberto F. Serrano; id. at 39-57.

*Reyes*

### The Antecedent Facts

The Missionary Sisters of Our Lady of Fatima (petitioner), otherwise known as the Peach Sisters of Laguna, is a religious and charitable group established under the patronage of the Roman Catholic Bishop of San Pablo on May 30, 1989. Its primary mission is to take care of the abandoned and neglected elderly persons. The petitioner came into being as a corporation by virtue of a Certificate issued by the Securities and Exchange Commission (SEC) on August 31, 2001.<sup>5</sup> Mother Ma. Concepcion R. Realon (Mother Concepcion) is the petitioner's Superior General.

The respondents, on the other hand, are the legal heirs of the late Purificacion Y. Alzona (Purificacion).

The facts giving rise to the instant controversy follow:

Purificacion, a spinster, is the registered owner of parcels of land covered by Transfer Certificate of Title (TCT) Nos. T-57820\* and T-162375; and a co-owner of another property covered by TCT No. T-162380, all of which are located in Calamba City, Laguna.<sup>6</sup>

In 1996, Purificacion, impelled by her unmaterialized desire to be nun, decided to devote the rest of her life in helping others. In the same year, she then became a benefactor of the petitioner by giving support to the community and its works.<sup>7</sup>

In 1997, during a doctor's appointment, Purificacion then accompanied by Mother Concepcion, discovered that she has been suffering from lung cancer. Considering the restrictions in her movement, Purificacion requested Mother Concepcion to take care of her in her house, to which the latter agreed.<sup>8</sup>

In October 1999, Purificacion called Mother Concepcion and handed her a handwritten letter dated October 1999. Therein, Purificacion stated that she is donating her house and lot at F. Mercado Street and Riceland at Banlic, both at Calamba, Laguna, to the petitioner through Mother Concepcion. On the same occasion, Purificacion introduced Mother Concepcion to her nephew, Francisco Del Mundo (Francisco), and niece, Ma. Lourdes Alzona Aguto-Africa (Lourdes). Purificacion, instructed

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<sup>5</sup> Id. at 59.

\* In some parts of the *rollo*, it is T-67820

<sup>6</sup> Id. at 43-44, 59.

<sup>7</sup> Id.

<sup>8</sup> Id. at 44, 59.

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Francisco to give a share of the harvest to Mother Concepcion, and informed Lourdes that she had given her house to Mother Concepcion.<sup>9</sup>

Sometime in August 2001, at the request of Purificacion, Mother Concepcion went to see Atty. Nonato Arcillas (Atty. Arcillas) in Los Baños, Laguna. During their meeting, Atty. Arcillas asked Mother Concepcion whether their group is registered with the SEC, to which the latter replied in the negative. Acting on the advice given by Atty. Arcillas, Mother Concepcion went to SEC and filed the corresponding registration application on August 28, 2001.<sup>10</sup>

On August 29, 2001, Purificacion executed a Deed of Donation *Inter Vivos* (Deed) in favor of the petitioner, conveying her properties covered by TCT Nos. T-67820 and T-162375, and her undivided share in the property covered by TCT No. T-162380. The Deed was notarized by Atty. Arcillas and witnessed by Purificacion's nephews Francisco and Diosdado Alzona, and grandnephew, Atty. Fernando M. Alonzo. The donation was accepted on even date by Mother Concepcion for and in behalf of the petitioner.<sup>11</sup>

Thereafter, Mother Concepcion filed an application before the Bureau of Internal Revenue (BIR) that the petitioner be exempted from donor's tax as a religious organization. The application was granted by the BIR through a letter dated January 14, 2002 of Acting Assistant Commissioner, Legal Service, Milagros Regalado.<sup>12</sup>

Subsequently, the Deed, together with the owner's duplicate copies of TCT Nos. T-57820, T-162375, and T-162380, and the exemption letter from the BIR was presented for registration. The Register of Deeds, however, denied the registration on account of the Affidavit of Adverse Claim dated September 26, 2001 filed by the brother of Purificacion, respondent Amando Y. Alzona (Amando).<sup>13</sup>

On October 30, 2001, Purificacion died without any issue, and survived only by her brother of full blood, Amando, who nonetheless died during the pendency of this case and is now represented and substituted by his legal heirs, joined as herein respondents.<sup>14</sup>

On April 9, 2002, Amando filed a Complaint before the RTC, seeking to annul the Deed executed between Purificacion and the petitioner, on the ground that at the time the donation was made, the latter was not registered

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<sup>9</sup> Id. at 44, 59-60.

<sup>10</sup> Id. at 45, 60.

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>13</sup> Id. at 45, 60-61.

<sup>14</sup> Id. at 39,45.

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with the SEC and therefore has no juridical personality and cannot legally accept the donation.<sup>15</sup>

After trial, on August 14, 2013, the RTC rendered its Decision<sup>16</sup> finding no merit in the complaint, thus ruling:

WHEREFORE, the instant case is hereby DISMISSED with costs against the [respondents]. The Compulsory counterclaim of the [petitioner] is likewise dismissed for lack of evidence.

SO ORDERED.<sup>17</sup>

In its decision, the RTC held that all the essential elements of a donation are present. The RTC set aside the allegation by the respondents relating to the incapacity of the parties to enter into a donation.<sup>18</sup>

In the case of Purificacion, the RTC held that apart from the self-serving allegations by the respondents, the records are bereft of evidence to prove that she did not possess the proper mental faculty in making the donation; as such the presumption that every person is of sound mind stands.<sup>19</sup>

On the capacity of the donee, the RTC held that at the time of the execution of the Deed, the petitioner was a *de facto* corporation and as such has the personality to be a beneficiary and has the power to acquire and possess property. Further then, the petitioner's incapacity cannot be questioned or assailed in the instant case as it constitutes a collateral attack which is prohibited by the Corporation Code of the Philippines.<sup>20</sup> In this regard, the RTC found that the recognition by the petitioner of Mother Concepcion's authority is sufficient to vest the latter of the capacity to accept the donation.<sup>21</sup>

Acting on the appeal filed by the respondents, the CA rendered the herein assailed Decision<sup>22</sup> on January 7, 2016, the dispositive portion of which reads:

WHEREFORE, the appeal is PARTLY GRANTED. The assailed August 14, 2013 Decision of the RTC, Branch 92, Calamba City in Civil Case No. 3250-02 is SET ASIDE by declaring as VOID the deed of Donation dated August 14, 2013. [The respondents'] prayer for the award

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<sup>15</sup> Id. at 13, 39.

<sup>16</sup> Id. at 39-57.

<sup>17</sup> Id. at 57.

<sup>18</sup> Id. at 48-49.

<sup>19</sup> Id. at 49-50.

<sup>20</sup> Id. at 54.

<sup>21</sup> Id. at 56.

<sup>22</sup> Id. at 58-68.

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of moral and exemplary damages as well as attorney's fees is nevertheless DENIED.

SO ORDERED.<sup>23</sup>

In so ruling, the CA, citing the case of *Seventh Day Adventist Conference Church of Southern Phils., Inc. v. Northeastern Mindanao Mission of Seventh Day Adventist, Inc.*,<sup>24</sup> held that the petitioner cannot be considered as a *de facto* corporation considering that at the time of the donation, there was no *bona fide* attempt on its part to incorporate.<sup>25</sup> As an unregistered corporation, the CA concluded that the petitioner cannot exercise the powers, rights, and privileges expressly granted by the Corporation Code. Ultimately, bereft of juridical personality, the CA ruled that the petitioner cannot enter into a contract of Donation with Purificacion.<sup>26</sup>

Finally, the CA denied the respondents' claim for actual damages and attorney's fees for failure to substantiate the same.<sup>27</sup>

The petitioner sought a reconsideration of the Decision dated January 7, 2016, but the CA denied it in its Resolution<sup>28</sup> dated April 19, 2016.

In the instant petition, the petitioner submits the following arguments in support of its position:

- a. The Donation *Inter Vivos* is valid and binding against the parties therein [Purificacion] and the [petitioner] and their respective successors in interest:
  - 1.) The [petitioner] has the requisite legal personality to accept donations as a religious institution under the Roman Catholic Bishop of San Pablo authorized to receive donations;
  - 2.) The [petitioner] has the requisite legal capacity to accept the donation as it may be considered a *de facto* corporation.
  - 3.) Regardless of the absence of the Certificate of Registration of [petitioner] at the time of the execution of the Deed of Donation, the same is still valid and binding having been accepted by a representative of the [petitioner] while the latter was still waiting for the issuance of the Certificate of Registration and which acceptance of the donation was duly ratified by the corporation.
  - 4.) The intestate estate of Purificacion is estopped from questioning the legal personality of [the petitioner].

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<sup>23</sup> Id. at 67.

<sup>24</sup> 528 Phil. 647 (2006).

<sup>25</sup> *Rollo*, p. 64.

<sup>26</sup> Id. at 66.

<sup>27</sup> Id. at 66-67.

<sup>28</sup> Id. at 69-70.

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- b. The Respondents lack the requisite legal capacity to question the legality of the deed of donation.<sup>29</sup>

In sum, the issue to be resolved by this Court in the instant case is whether or not the Deed executed by Purificacion in favor of the petitioner is valid and binding. In relation to this, the Court is called upon to determine the legal capacity of the petitioner, as donee, to accept the donation, and the authority Mother Concepcion to act on behalf of the petitioner in accepting the donation.

### **Ruling of the Court**

The petition is meritorious.

The petitioner argues that it has the requisite legal personality to accept the donation as a religious institution organized under the Roman Catholic Bishop of San Pablo, a corporation sole.<sup>30</sup>

Regardless, the petitioner contends that it is a *de facto* corporation and therefore possessed of the requisite personality to enter into a contract of donation.

Assuming further that it cannot be considered as a *de facto* corporation, the petitioner submits that the acceptance by Mother Concepcion while the religious organization is still in the process of incorporation is valid as it then takes the form of a pre-incorporation contract governed by the rules on agency. The petitioner argues that their subsequent incorporation and acceptance perfected the subject contract of donation.<sup>31</sup>

Ultimately, the petitioner argues that the intestate estate of Purificacion is estopped from questioning its legal personality considering the record is replete of evidence to prove that Purificacion at the time of the donation is fully aware of its status and yet was still resolved into giving her property.<sup>32</sup>

In response, the respondents submit that juridical personality to enter into a contract of donation is vested only upon the issuance of a Certificate of Incorporation from SEC.<sup>33</sup> Further, the respondents posit that the petitioner cannot even be considered as a *de facto* corporation considering

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<sup>29</sup> Id. at 22-23.

<sup>30</sup> Id. at 24-25.

<sup>31</sup> Id. at 26-27.

<sup>32</sup> Id. at 31.

<sup>33</sup> Id. at 83-84.

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that for more than 20 years, there was never any attempt on its part to incorporate, which decision came only after Atty. Arcillas' suggestion.<sup>34</sup>

In order that a donation of an immovable property be valid, the following elements must be present: (a) the essential reduction of the patrimony of the donor; (b) the increase in the patrimony of the donee; (c) the intent to do an act of liberality or *animus donandi*; (d) the donation must be contained in a public document; and e) that the acceptance thereof be made in the same deed or in a separate public instrument; if acceptance is made in a separate instrument, the donor must be notified thereof in an authentic form, to be noted in both instruments.<sup>35</sup>

There is no question that the true intent of Purificacion, the donor and the owner of the properties in question, was to give, out of liberality the subject house and lot, which she owned, to the petitioner. This act, was then contained in a public document, the deed having been acknowledged before Atty. Arcillas, a Notary Public.<sup>36</sup> The acceptance of the donation is made on the same date that the donation was made and contained in the same instrument as manifested by Mother Concepcion's signature.<sup>37</sup> In fine, the remaining issue to be resolved is the capacity of the petitioner as donee to accept the donation, and the authority of Mother Concepcion to act on its behalf for this purpose.

Under Article 737 of the Civil Code, "[t]he donor's capacity shall be determined as of the time of the making of the donation." By analogy, the legal capacity or the personality of the donee, or the authority of the latter's representative, in certain cases, is determined at the time of acceptance of the donation.

Article 738, in relation to Article 745, of the Civil Code provides that all those who are not specifically disqualified by law may accept donations either personally or through an authorized representative with a special power of attorney for the purpose or with a general and sufficient power.

The Court finds that for the purpose of accepting the donation, the petitioner is deemed vested with personality to accept, and Mother Concepcion is clothed with authority to act on the latter's behalf.

At the outset, it must be stated that as correctly pointed out by the CA, the RTC erred in holding that the petitioner is a *de facto* corporation.

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<sup>34</sup> Id. at 85-86.

<sup>35</sup> CIVIL CODE OF THE PHILIPPINES, Article 749; *Heirs of Florencio v. Heirs of De Leon*, 469 Phil. 459, 474 (2004).

<sup>36</sup> *Rollo*, pp. 47-48.

<sup>37</sup> Id. at 47.

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Jurisprudence settled that “[t]he filing of articles of incorporation **and** the issuance of the certificate of incorporation are essential for the existence of a *de facto* corporation.”<sup>38</sup> In fine, it is the act of registration with SEC through the issuance of a certificate of incorporation that marks the beginning of an entity's corporate existence.<sup>39</sup>

Petitioner filed its Articles of Incorporation and by-laws on August 28, 2001. However, the SEC issued the corresponding Certificate of Incorporation only on August 31, 2001, two (2) days after Purificacion executed a Deed of Donation on August 29, 2001. Clearly, at the time the donation was made, the Petitioner cannot be considered a corporation *de facto*.<sup>40</sup>

Rather, a review of the attendant circumstances reveals that it calls for the application of the doctrine of corporation by estoppel as provided for under Section 21 of the Corporation Code, *viz.*:

**Sec. 21. Corporation by estoppel.** - All persons who assume to act as a corporation knowing it to be without authority to do so shall be liable as general partners for all debts, liabilities and damages incurred or arising as a result thereof: Provided, however, That when any such ostensible corporation is sued on any transaction entered by it as a corporation or on any tort committed by it as such, it shall not be allowed to use as a defense its lack of corporate personality.

**One who assumes an obligation to an ostensible corporation as such, cannot resist performance thereof on the ground that there was in fact no corporation.** (Emphasis Ours)

The doctrine of corporation by estoppel is founded on principles of equity and is designed to prevent injustice and unfairness. It applies when a non-existent corporation enters into contracts or dealings with third persons.<sup>41</sup> In which case, the person who has contracted or otherwise dealt with the non-existent corporation is estopped to deny the latter's legal existence in any action leading out of or involving such contract or dealing. While the doctrine is generally applied to protect the sanctity of dealings with the public,<sup>42</sup> nothing prevents its application in the reverse, in fact the very wording of the law which sets forth the doctrine of corporation by estoppel permits such interpretation. Such that a person who has assumed an obligation in favor of a non-existent corporation, having transacted with the latter as if it was duly incorporated, is prevented from denying the existence of the latter to avoid the enforcement of the contract.

<sup>38</sup> *Seventh Day Adventist Conference Church of Southern Philippines, Inc. v. Northeastern Mindanao Mission of Seventh Day Adventist, Inc.*, supra note 24, at 654.

<sup>39</sup> *Id.*

<sup>40</sup> *Rollo*, pp. 45, 64.

<sup>41</sup> *Lozano v. Hon. Delos Santos*, 340 Phil. 563, 570 (1997).

<sup>42</sup> *Asia Banking Corporation v. Standard Products Co.*, 46 Phil. 144, 145 (1924)

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Jurisprudence dictates that the doctrine of corporation by estoppel applies for as long as there is no fraud and when the existence of the association is attacked for causes attendant at the time the contract or dealing sought to be enforced was entered into, and not thereafter.<sup>43</sup>

In this controversy, Purificacion dealt with the petitioner as if it were a corporation. This is evident from the fact that Purificacion executed two (2) documents conveying her properties in favor of the petitioner – first, on October 11, 1999 *via* handwritten letter, and second, on August 29, 2001 through a Deed; the latter having been executed the day after the petitioner filed its application for registration with the SEC.<sup>44</sup>

The doctrine of corporation by estoppel rests on the idea that if the Court were to disregard the existence of an entity which entered into a transaction with a third party, unjust enrichment would result as some form of benefit have already accrued on the part of one of the parties. Thus, in that instance, the Court affords upon the unorganized entity corporate fiction and juridical personality for the sole purpose of upholding the contract or transaction.

In this case, while the underlying contract which is sought to be enforced is that of a donation, and thus rooted on liberality, it cannot be said that Purificacion, as the donor failed to acquire any benefit therefrom so as to prevent the application of the doctrine of corporation by estoppel.<sup>45</sup> To recall, the subject properties were given by Purificacion, as a token of appreciation for the services rendered to her during her illness.<sup>46</sup> In fine, the subject deed partakes of the nature of a remuneratory or compensatory donation, having been made “for the purpose of rewarding the donee for past services, which services do not amount to a demandable debt.”<sup>47</sup>

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<sup>43</sup> Id. at 146.

<sup>44</sup> See *Lim v. Phil. Fishing Gear Industries, Inc.*, 376 Phil. 76, 92 (1999), where the Court ruled that “a third party who, knowing an association to be unincorporated, nonetheless treated it as a corporation and received benefits from it, may be barred from denying its corporate existence in a suit brought against the alleged corporation. In such case, all those who benefited from the transaction made by the ostensible corporation, despite knowledge of its legal defects, may be held liable for contracts they impliedly assented to or took advantage of.”

<sup>45</sup> See *Int'l. Express Travel and Tour Services, Inc. v. CA*, 397 Phil. 751, 761-762 (2000), whereby the Court ruled that “[t]he doctrine applies to a third party only when he tries to escape liability on a contract from which he has benefited on the irrelevant ground of defective incorporation.” Thus, in that case, where the petitioner is not trying to escape liability from the contract but rather is the one claiming from the contract, the Court ruled that the doctrine does not apply.

<sup>46</sup> *Rollo*, p. 46. The Deed, denominated as Donation *Inter Vivos*, states:

That, for and in consideration of the love and affection of the DONOR for the DONEE and of the faithful services the latter has rendered in the past to the former, the said DONOR by these presents, cedes, transfers and conveys by way of donation *inter vivos*, unto said DONEE, the two (2) parcels of land covered by Transfer Certificate of Title Nos. T-57820 and T-162375 and the undivided share as co-owner in a parcel of land covered by Transfer Certificate of Title No. T-162380 together with all the buildings and improvements existing thereon, free from all liens and encumbrances. (Emphasis Ours)

<sup>47</sup> *C-J Yulo & Sons, Inc. v. Roman Catholic Bishop of San Pablo, Inc.*, 494 Phil. 282, 292 (2005).

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As elucidated by the Court in *Pirovano, et al. v. De La Rama Steamship Co.*:<sup>48</sup>

In donations made to a person for services rendered to the donor, the donor's will is moved by acts which directly benefit him. The motivating cause is gratitude, acknowledgment of a favor, a desire to compensate. A donation made to one who saved the donor's life, or a lawyer who renounced his fees for services rendered to the donor, would fall under this class of donations.<sup>49</sup>

Therefore, under the premises, past services constitutes consideration, which in turn can be regarded as "benefit" on the part of the donor, consequently, there exists no obstacle to the application of the doctrine of corporation by estoppel; although strictly speaking, the petitioner did not perform these services on the expectation of something in return.

Precisely, the existence of the petitioner as a corporate entity is upheld in this case for the purpose of validating the Deed to ensure that the primary objective for which the donation was intended is achieved, that is, to convey the property for the purpose of aiding the petitioner in the pursuit of its charitable objectives.

Further, apart from the foregoing, the subsequent act by Purificacion of re-conveying the property in favor of the petitioner is a ratification *by conduct* of the otherwise defective donation.<sup>50</sup>

Express or implied ratification is recognized by law as a means to validate a defective contract.<sup>51</sup> Ratification cleanses or purges the contract from its defects from constitution or establishment, retroactive to the day of its creation. By ratification, the infirmity of the act is obliterated thereby making it perfectly valid and enforceable.<sup>52</sup>

The principle and essence of implied ratification require that the principal has full knowledge at the time of ratification of all the material facts and circumstances relating to the act sought to be ratified or validated.<sup>53</sup> Also, it is important that the act constituting the ratification is unequivocal in that it is performed without the slightest hint of objection or protest from the donor or the donee, thus producing the inevitable

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<sup>48</sup> 96 Phil. 335 (1954).

<sup>49</sup> Id. at 350.

<sup>50</sup> CIVIL CODE OF THE PHILIPPINES, Article 1390.

<sup>51</sup> CIVIL CODE OF THE PHILIPPINES, Article 1393. **Ratification may be effected expressly or tacitly. It is understood that there is a tacit ratification if, with knowledge of the reason which renders the contract voidable and such reason having ceased, the person who has a right to invoke it should execute an act which necessarily implies an intention to waive his right.**

<sup>52</sup> Cf. *Pirovano, et al. v. De La Rama Steamship Co.*, supra note 48, at 359.

<sup>53</sup> *Felix Atacador v. Hilarion Silayan, Rosario Payumo and Eduardo Payumo*, 67 Phil. 674, 677 (1939). Cf. *Yasuma v. Heirs of Cecilio S. De Villa*, 531 Phil. 62, 68 (2006).

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conclusion that the donation and its acceptance were in fact confirmed and ratified by the donor and the donee.<sup>54</sup>

In this controversy, while the initial conveyance is defective, the genuine intent of Purificacion to donate the subject properties in favor of the petitioner is indubitable. Also, while the petitioner is yet to be incorporated, it cannot be said that the initial conveyance was tainted with fraud or misrepresentation. Contrarily, Purificacion acted with full knowledge of circumstances of the Petitioner. This is evident from Purificacion's act of referring Mother Concepcion to Atty. Arcillas, who, in turn, advised the petitioner to apply for registration. Further, with the execution of two (2) documents of conveyance in favor of the petitioner, it is clear that what Purificacion intended was for the sisters comprising the petitioner to have ownership of her properties to aid them in the pursuit of their charitable activities, as a token of appreciation for the services they rendered to her during her illness.<sup>55</sup> To put it differently, the reference to the petitioner was merely a descriptive term used to refer to the sisters comprising the congregation collectively. Accordingly, the acceptance of Mother Concepcion for the sisters comprising the congregation is sufficient to perfect the donation and transfer title to the property to the petitioner. Ultimately, the subsequent incorporation of the petitioner and its affirmation of Mother Concepcion's authority to accept on its behalf cured whatever defect that may have attended the acceptance of the donation.

The Deed sought to be enforced having been validly entered into by Purificacion, the respondents' predecessor-in-interest, binds the respondents who succeed the latter as heirs.<sup>56</sup> Simply, as they claim interest in their capacity as Purificacion's heirs, the respondents are considered as "privies" to the subject Deed; or are "those between whom an action is binding although they are not literally parties to the said action."<sup>57</sup> As discussed in *Constantino, et al. v. Heirs of Pedro Constantino, Jr.*:<sup>58</sup>

[p]rivity in estate denotes the privity between assignor and assignee, donor and donee, grantor and grantee, joint tenant for life and remainderman or reversioner and their respective assignees, vendor by deed of warranty and a remote vendee or assignee. A privy in estate is one, it has been said, who derives his title to the property in question by purchase; one who takes by conveyance. In fine, respondents, as successors-in-interest, derive their

<sup>54</sup> *Felix Atacador v. Hilarion Silayan, Rosario Payumo and Eduardo Payumo*, id. at 678.

<sup>55</sup> *Rollo*, p. 46. The Deed, denominated as Donation *Inter Vivos*, states:

That, for and in consideration of the love and affection of the DONOR for the DONEE and of the faithful services the latter has rendered in the past to the former, the said DONOR by these presents, cedes, transfers and conveys by way of donation *inter vivos*, unto said DONEE, the two (2) parcels of land covered by Transfer Certificate of Title Nos. T-57820 and T-162375 and the undivided share as co-owner in a parcel of land covered by Transfer Certificate of Title No. T-162380 together with all the buildings and improvements existing thereon, free from all liens and encumbrances. (Emphasis Ours)

<sup>56</sup> CIVIL CODE OF THE PHILIPPINES, Article 1311; *Heirs of Florencio v. Heirs of De Leon*, supra note 35, citing *San Agustin v. CA*, 422 Phil. 686, 697 (2001).

<sup>57</sup> *Constantino, et al. v. Heirs of Pedro Constantino, Jr.*, 718 Phil. 575, 589 (2013).

<sup>58</sup> 718 Phil. 575 (2013).

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right from and are in the same position as their predecessor in whose shoes they now stand.<sup>59</sup> (Citation omitted)

Anent the authority of Mother Concepcion to act as representative for and in behalf of the petitioner, the Court similarly upholds the same. Foremost, the authority of Mother Concepcion was never questioned by the petitioner. In fact, the latter affirms and supports the authority of Mother Concepcion to accept the donation on their behalf; as she is, after all the congregation's Superior General.<sup>60</sup> Furthermore, the petitioner's avowal of Mother Concepcion's authority after their SEC registration is a ratification of the latter's authority to accept the subject donation as the petitioner's representative.<sup>61</sup>

In closing, it must be emphasized that the Court is *both* of law and of justice. Thus, the Court's mission and purpose is to apply the law *with* justice.<sup>62</sup>

Donation is an expression of our social conscience, an act rooted purely on the goodness of one's heart and intent to contribute.

Purification, the donor is worthy of praise for her works of charity. Likewise, the petitioner is worthy of admiration for with or without the promise of reward or consideration, the Court is certain that it is impelled by sincere desire to help the petitioner in overcoming her illness.

It is unfortunate that the will of a person moved by the desire to reciprocate the goodness shown to her during the lowest and culminating points of her life is questioned and herein sought to be nullified on strict legality, when the intent of the donor to give is beyond question.

The promotion of charitable works is a laudable objective. While not mentioned in the Constitution, the Court recognizes benevolent giving as an important social fabric that eliminates inequality. As such, charitable giving must be encouraged through support from society and the Court.

**WHEREFORE**, in consideration of the foregoing disquisitions, the instant petition for review on *certiorari* is **GRANTED**. Accordingly, the Decision dated January 7, 2016 and Resolution dated April 19, 2016 of the Court of Appeals in CA-G.R. CV No. 101944, are hereby **REVERSED and SET ASIDE**.

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<sup>59</sup> Id., citing *Correa v. Pascual, et al.*, 99 Phil. 696, 703 (1956).

<sup>60</sup> *Rollo*, p. 75.

<sup>61</sup> CIVIL CODE OF THE PHILIPPINES, Article 1910.

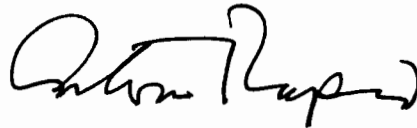
<sup>62</sup> *Alonzo v. Intermediate Appellate Court*, 234 Phil. 267, 273 (1987).

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**SO ORDERED.**

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**ANDRES B. REYES, JR.**  
Associate Justice


**WE CONCUR:**



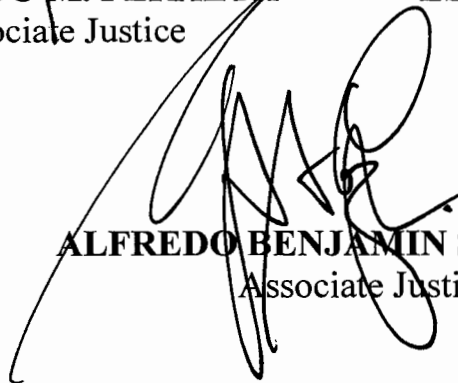
**ANTONIO T. CARPIO**  
Senior Associate Justice  
Chairperson



**DIOSDADO M. PERALTA**  
Associate Justice




**ESTELA M. PERLAS-BERNABE**  
Associate Justice



**ALFREDO BENJAMIN S. CAGUIOA**  
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.



**ANTONIO T. CARPIO**  
Senior Associate Justice  
(Per Section 12, R.A. No. 296  
The Judiciary Act of 1948,  
as amended)