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Republic of the Philippines Supreme Court Manila

JUL 2 6 2021

#### THIRD DIVISION

JORGE DE OCAMPO, heirs of the late NAPOLEON DE OCAMPO. namely: ROSARIO DE OCAMPO, JOSE DE OCAMPO, PABLO DE OCAMPO, JAIME DE OCAMPO, PEDRITO DE OCAMPO, JOSEPH DE OCAMPO, NAPOLEON DE OCAMPO, JR., NORMA DE OCAMPO, PURITA DE OCAMPO, FLORENCE DE OCAMPO, **CORAZON** DE OCAMPO, and ROSEMARIE DE OCAMPO,

G.R. No. 231062

Present:

LEONEN, *J*, *Chairperson*, HERNANDO, CARANDANG,\* LAZARO-JAVIER,\*\* and INTING, *JJ*.

Petitioners,

- versus -

JOSE OLLERO, GENOVEVA OLLERO, and CONCEPCION OLLERO-GUECO,

Promulgated:

Respondents. November 25, 2020 Michochatt

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#### DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Rules of Civil Procedure<sup>1</sup> assailing the Decision<sup>2</sup> dated June 6,

<sup>\*</sup> Designated additional Member per Raffle dated November 11, 2020.

<sup>\*\*</sup> Designated additional Member per Raffle dated November 25, 2020.

<sup>&</sup>lt;sup>1</sup> Rollo, pp. 11-39.

<sup>&</sup>lt;sup>2</sup> Id. at 42-52; penned by Associate Justice Edwin D. Sorongon with Associate Justices Ricardo R. Rosario (now a member of the Court) and Marie Christine Azcarraga-Jacob, concurring.

2016 of the Court of Appeals (CA) which dismissed the appeal; and the Resolution<sup>3</sup> dated February 22, 2017 denying the motion for reconsideration in CA-G.R. CV No. 102866.

#### The Antecedents

The subject matter of the case is a parcel of land with an area of 738 square meters (sq. m.), located in Poblacion, Tubao, La Union and covered by Tax Declaration No.  $00002^4$  in the name of the late Francisco Alban (Francisco) with Napoleon De Ocampo (Napoleon) as its named administrator.<sup>5</sup>

On March 5, 1926, Francisco adopted Susana Felipa Carmen de Ocampo (Carmen), the sister by blood of Napoleon. Consequently, Carmen adopted the family name "Alban" until she married Marcos Ollero on December 23, 1929. Later on, Francisco donated the subject property to Carmen as evidenced by a deed of donation dated November 10, 1930.<sup>6</sup>

On April 27, 1998, Carmen died in Chicago, Illinois. Thereafter, her children, Jose, Genoveva, and Concepcion, all surnamed Ollero (respondents) discovered that Napoleon appropriated to himself the subject property through an affidavit of adjudication dated May 22, 1997. In the affidavit, Napoleon claimed that he was the sole legal heir of the late Francisco. By reason of the adjudication, a new tax declaration was issued in the names of Napoleon and his brother, Jorge De Ocampo (Jorge).<sup>7</sup>

Claiming that they were deprived of title over the subject property, respondents filed a case for recovery of ownership, reconveyance and damages against the heirs of the late Napoleon and Jorge (petitioners).<sup>8</sup>

For their part, petitioners countered that in 1944, Napoleon married Rosario Suguitan (Rosario). During the occasion, Carmen told Napoleon and Rosario to occupy the subject land. Resultantly, the latter built their home on the property.<sup>9</sup>

 $<sup>^{3}</sup>$  Id at 55-56.

<sup>&</sup>lt;sup>4</sup> Varied in many parts of the *rollo*.

<sup>&</sup>lt;sup>5</sup> *Rollo*, pp. 43, 114.

<sup>&</sup>lt;sup>6</sup> *Id.* at 14, 43, 114.

<sup>&</sup>lt;sup>7</sup> *Id.* at 43, 115.

<sup>&</sup>lt;sup>8</sup> *Id.* at 115.

<sup>&</sup>lt;sup>9</sup> Id.

Petitioners stressed that respondents never resided in the subject property. They declared that when Carmen got married, she resided in Malate, Manila with respondents. Meanwhile, after college, respondents Concepcion and Genoveva migrated to the United States of America and Carmen later on joined them. Further, petitioners argued that during her lifetime, neither Carmen nor respondents (her children) caused the cancellation of Tax Declaration No. 00002 in the name of Francisco even if Francisco already donated the property to Carmen in 1930. They also insisted that on December 11, 1984, Carmen executed a deed of conveyance over her real property located in Tubao, La Union in favor of Napoleon and Rosario.<sup>10</sup>

#### Ruling of the Regional Trial Court (RTC)

On April 21, 2014, Branch 32, RTC, Agoo, La Union rendered a Decision,<sup>11</sup> the dispositive portion of which reads:

IN VIEW OF THE FOREGOING, after a thorough examination of all the evidence adduced by the parties as well as the testimonies of their witnesses, judgment is hereby rendered in FAVOR of the plaintiffs and AGAINST defendants.

- 1. DECLARING the Affidavit of Adjudication executed by Napoleon de Ocampo on May 22, 1997 as void. As a consequence therefor, the property subject matter of this case should be reverted to its original owner Francisco Alban, as gleaned from tax declaration No. 002;
- 2. ORDERING defendants to pay to the plaintiffs the amount of PhP20,000.00 as moral damages; PhP20,000.00 as attorney's fees and the additional amount of PhP2,000.00 per appearance of their lawyer in Court and to pay the costs of suit.

SO ORDERED.<sup>12</sup>

The RTC ratiocinated that per the testimonies of the two heirs of Napoleon, it was clear that Carmen never intended to deprive herself of ownership over the subject land when she allowed Napoleon and Rosario to occupy it. It decreed that Napoleon's possession was merely permissive underscoring that possession arising from the mere tolerance of the owner was not sufficient for the purpose of acquisitive prescription.<sup>13</sup>

<sup>12</sup> Id. at 122.

<sup>&</sup>lt;sup>10</sup> Id. at 115-116.

<sup>&</sup>lt;sup>11</sup> Id. at 114-122; penned by Judge Rose Mary R. Molina-Alim.

<sup>&</sup>lt;sup>13</sup> *Id.* at 118.

The RTC further noted that petitioners themselves admitted that Napoleon was not a legal heir of Francisco such that his (Napoleon's) affidavit of adjudication was actually perjurious. "By itself, the assertions in the affidavit of adjudication is false and consequently, the affidavit is a nullity."<sup>14</sup>

The RTC also ruled that payment of realty taxes did not vest ownership to petitioners in the absence of an adverse possession over the subject property. It added that at most, petitioners were usufructuaries with the right to enjoy and the corresponding obligation to preserve the property.<sup>15</sup>

#### Ruling of the CA

On June 6, 2016, the CA dismissed the appeal and affirmed the RTC Decision, except as to the latter's finding of usufruct.<sup>16</sup>

The CA elucidated that by virtue of the deed of donation executed by Francisco to Carmen, Carmen became the owner of the subject property. This being the case, Napoleon's eventual affidavit of adjudication was invalid because he executed it *not* as an heir of Carmen, but as the alleged heir of Francisco. It stressed that during the execution of the affidavit of Napoleon, Carmen was already the owner of the property and Francisco could not anymore donate it to Napoleon. It also held that petitioners' occupation of the property for years could not ripen to ownership since mere occupation by itself was not a recognized mode of acquiring ownership or other real rights.<sup>17</sup>

The CA further held that the deed of conveyance supposedly executed by Carmen in favor of Napoleon and his wife was one of donation. It was, however, not valid as it did not comply with the requirements of a donation. According to the CA, there was no showing that Napoleon accepted and no witnesses signed the deed.<sup>18</sup> The CA ratiocinated that it was only a simple case of tolerance when Carmen authorized Napoleon to occupy the property in dispute.

<sup>&</sup>lt;sup>14</sup> *Id.* at 121.

<sup>&</sup>lt;sup>15</sup> Id. at 120.

<sup>16</sup> Id. at 51.

<sup>&</sup>lt;sup>17</sup> Id. at 47-48.

<sup>&</sup>lt;sup>18</sup> Id. at 45-47.

Later, the CA denied petitioners' motion for reconsideration which prompted them to file the instant petition raising the following issues:

#### I.

## THE [CA] ERRED IN FINDING THAT THE DEED OF CONVEYANCE EXECUTED BY CARMEN IS A DONATION[.]

#### II.

### THE [CA] ERRED IN FINDING THAT THE PETITIONERS HAD NO "JUST TITLE" OVER THE SUBJECT PROPERTY[.]

#### ∏I.

THE [CA] ERRED IN AWARDING DAMAGES IN FAVOR OF RESPONDENTS[.]

#### IV.

# THE [CA] ERRED IN NOT ISSUING AN ADJUDICATION UPON THE MERITS ON THE NATURE OF THE IMPROVEMENTS BUILT ON THE SUBJECT LAND[.]<sup>19</sup>

#### Petitioners' Arguments

Petitioners insist that the RTC erred in disregarding the contract of sale between Carmen, on one hand, and Napoleon and Rosario, on the other hand; while the CA erroneously found their transaction to be one of donation.

According to petitioners, the deed of conveyance between Carmen, and Napoleon and Rosario was for a valuable consideration in the amount of US\$1,000.00; and Carmen received the amount as the deed indicated that it was executed "for a valuable consideration." They likewise assert that because the deed of conveyance was executed on December 11, 1984, then they already acquired vested right over the property after 10 years from execution of the deed of conveyance.

Petitioners also maintain that since 1944, Napoleon and Rosario had occupied the property in the concept of an owner, and believed that Carmen could transfer it to them. They contend that based on the possession and occupation of Napoleon and Rosario alone, they acquired title over the subject land.

<sup>19</sup> Id. at 22.

At the same time, petitioners argue that they should not be held liable to pay moral damages arising from the act of Napoleon of executing the affidavit of adjudication without their knowledge and consent. They further posit that the award of attorney's fees is unwarranted in the absence of any circumstance under Article 2208 of the Civil Code of the Philippines (Civil Code).

Finally, petitioners contend that they introduced improvements on the subject property with the belief that they owned the property. They, thus, insist that these improvements should be treated under Article 448 of the Civil Code on builders and planters in good faith.

#### Respondents' Arguments

Respondents counter that the instant petition raises no question of law which is sufficient reason for the Court to deny it. They also stress that the uniform findings of the RTC and the CA that the deed between Carmen, and Napoleon and Rosario was void must be respected and accorded great weight and even finality by the Court.

Respondents also argue that petitioners have no just title over the property either by the deed supposedly executed by Carmen or by Napoleon's affidavit of adjudication. They pointed out that in fact, the affidavit of adjudication indicated that Napoleon inherited the property from Francisco even if the latter had already donated it to Carmen.

#### Our Ruling

As a rule, the judicial review under Rule 45 of the Rules of Court excludes factual issues as only pure questions of law may be raised in a petition for review on *certiorari* and the Court generally abides by the unanimous conclusions of the lower courts in a given legal controversy. In the instant case, however, while the RTC and the CA concur in ruling for respondents, their reasonings vary such that the Court deems it necessary to take a closer look on their findings to arrive at a just resolution of the issues on hand.<sup>20</sup>

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<sup>&</sup>lt;sup>20</sup> See Estate of Margarita D. Cabacungan v. Laigo, et al., 671 Phil. 132, 146 (2011).

Moreover, the Court observes that in the pursuit of their case, petitioners heavily relied on the deed of conveyance supposedly executed by Carmen in favor of Napoleon and Rosario and cited its portions as follows:

#### "Deed"

FOR A VALUABLE CONSIDERATION, I, CARMEN L. DE OCAMPO, of legal age, widow of the late Marcos Ollero, presently residing at x x x, the first party, hereby grant to NAPOLEON L. DE OCAMPO and ROSARIO S. DE OCAMPO, both of legal age, husband and wife, respectively, as joint tenants, and presently residing at x x x, the second party, all that real property situated in the Municipality of Tubao, Province of La Union, Philippines, bounded and described as follows:

Bounded on the North by Francisco Zandueta; on the East by Carino para Aringay; on the South by Florencio Baltazar; and on the West by Calle Sta. Ana; containing an area of 825 square meters approximately; and including the building and all other improvements thereon.<sup>21</sup>

According to petitioners, Carmen sold to their predecessors-in-interests (Napoleon and Rosario) the subject property for \$1,000.00. They fault the RTC in disregarding the contract of sale and argued that the CA erred in finding that the contract was an invalid donation for lack of acceptance from Napoleon and absence of witnesses.

Under Article 712 of the Civil Code, there are generally two classifications of the modes of acquiring ownership, namely, the original mode, that is, "through occupation, acquisitive prescription, law or intellectual creation," and derivative mode "through succession *mortis causa* or tradition as a result of certain contracts, such as sale, barter, donation, assignment or *mutuum*."<sup>22</sup>

Here, the face of the deed of conveyance does not embody any of the effective modes of transferring ownership to Napoleon and Rosario which, in turn would vest title to petitioners, their successors-in-interest. Particularly, the deed failed to show any intention on the part of Carmen to sell or even to donate the property in dispute to Napoleon and Rosario.

<sup>&</sup>lt;sup>21</sup> *Rollo*, pp. 80, 250.

<sup>&</sup>lt;sup>22</sup> Heirs of Jose Peñaflor v. Heirs of Artemio and Lydia Dela Cruz, 816 Phil. 324, 340 (2017), citing Acap v. CA, 321 Phil. 381, 390 (1995).

*First*, contrary to petitioners' assertions, the stipulations in the deed of conveyance do not amount to a sale. To stress, in a contract of sale, one of the parties obligates himself or herself to transfer the ownership of and to deliver a determinate thing while the other party binds his or herself to pay a price certain in money or its equivalent.<sup>23</sup> While petitioners claimed that the supposed sale was for a price of US\$1,000.00, the deed did not indicate this circumstance. Additionally, the mere inclusion of the phrase "for a valuable consideration" does not by itself provide for the purported agreed price for the property.

Let it be underscored too that in a contract of sale, it is primordial that there is a meeting of the minds upon the object of the contract and upon the price. Consent is shown by the meeting of the offer and the acceptance of the thing and the cause which are to constitute the contract.<sup>24</sup> Here, there is no showing of clear intent to sell and of price certain. Petitioners also failed to prove that payment was made for the subject property. Thus, their contention that Carmen sold the property to Napoleon and Rosario is untenable.

Second, the Court does not find that the deed of conveyance embodied a donation. Notably, the subject deed only stated that Carmen "grant" to Napoleon and Rosario "as joint tenants" a property in Tubao, La Union. It is a general statement without indication of any intention to donate on the part of Carmen, aside from the fact that Napoleon and Rosario did not manifest any acceptance and no witnesses signed the supposed deed of donation.

In the Heirs of Jose Peñaflor v. Heirs of Artemio and Lydia Dela Cruz,<sup>25</sup> the Court decreed that the deed of waiver and transfer of possessory rights in favor of therein respondents' predecessor-in-interest was *not* an effective mode of transferring ownership as it only revealed that the owner purportedly "waived, renounced, transferred, and quitclaimed all her rights" over the disputed property therein. In the same token, in the present case, no effective transfer of rights can be gleaned from the deed of conveyance as it only states that Carmen "granted" to Napoleon and Rosario a real property in Tubao, La Union.

<sup>&</sup>lt;sup>23</sup> Article 1458, Civil Code of the Philippines provides:

ARTICLE 1458. By the contract of sale one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to pay therefor a price certain in money or its equivalent.

<sup>&</sup>lt;sup>24</sup> See Heirs of Spouses Intac v. Court of Appeals, et al., 697 Phil. 373, 383 (2012).

<sup>&</sup>lt;sup>25</sup> Heirs of Jose Peñaflor v. Heirs of Artemio and Lydia Dela Cruz, supra note 22.

In fine, in the absence of the elements of any of the effective mode of transferring ownership, the Court cannot sustain the argument that Carmen transferred her title over the subject property to Napoleon and Rosario.

The Court also notes that both the RTC and the CA declared that the subject property pertained to a realty with an area of 738 sq. m. and covered by Tax Declaration No. 002 in the name of Francisco. A reading, however, of the deed of conveyance indicated a real property with an area of 825 sq. m. which pertained to a property different from the subject matter of the case.

Moreover, as pointed out by the RTC and the CA, petitioners cannot acquire the subject property by mere occupation. Let it be emphasized that unless occupation is coupled with hostility toward the true owner, occupation no matter how long will not vest title. Verily, in the absence of their adverse possession of the property, even if petitioners had declared it for taxation purposes, is not sufficient to establish ownership.<sup>26</sup> At the same time, their claim of ownership over the improvements thereon remained unsubstantiated and thus, without merit.

*Finally*, the Court sustains the awards of moral damages, attorney's fees and cost as they were supported by evidence as underscored by the RTC in this wise:

The [respondents,] being fraudulently withheld of their mother's property are entitled to bring to the attention of the court to seek relief through this action. Accordingly, they should be compensated to the damages caused to them which they have duly proven.

This court understands the [respondents'] emotional suffering arising from the act of their relative Napoleon de Ocampo. As testified to by [respondent Jose], because of this case, he had sleepless nights and lost his appetite. To compensate his sufferings, he asked for the amount of PhP20,000.00 which the Court finds reasonable. Thereby, to assuage [respondents'] turnoil, the court awards to them PhP20,000.00 as reasonable moral damages. As regards the payment of attorney's fees, [respondent Jose] claimed he paid their lawyer the amount of Php20,000.00 and an additional Php2,000.00 per appearance of their lawyer, which the Court deems it reasonable under the circumstances. x x  $x^{27}$ 

<sup>&</sup>lt;sup>26</sup> Cequeña v. Bolante, 386 Phil. 419, 431 (2000) citing De Luna v. Court of Appeals, 287 Phil. 298, 303-304 (1992).

<sup>&</sup>lt;sup>27</sup> *Rollo*, p. 121.

WHEREFORE, the petition is DENIED. The Decision dated June 6, 2016 and the Resolution dated February 22, 2017 of the Court of Appeals in CA-G.R. CV No. 102866 are hereby AFFIRMED.

SO ORDERED.

HENR ÚL B. INTING Associate Justice

WE CONCUR:

ARVIC M.V.F. LEONEN Associate Justice

Chairperson

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RAMO UL L. HERNANDO Associate Justice

Associate Justice

**LARO-JAVIER** AMYAssociate 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.

IC M.V.F. LEONEN MARY 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

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MISAEL DOMINGO C. BATTUNG H Division Clerk of Court Third Division

JUL 2 6 2021

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