

FIRST DIVISION

[G.R. No. 222442, June 23, 2020]

**NIEVES SELERIO AND ALICIA SELERIO, PETITIONERS, VS.
TREGIDIO B. BANCASAN, RESPONDENT.**

DECISION

CAGUIOA, J:

This is a Petition for Review on *Certiorari*^[1] (Petition) under Rule 45 of the Rules of Court assailing the Decision^[2] dated March 6, 2015 (Assailed Decision) and Resolution^[3] dated November 25, 2015 (Assailed Resolution) of the Court of Appeals, Twenty-Second Division (CA), in CA-G.R. CV No. 03014-MIN. The CA reversed the March 17, 2009^[4] and March 22, 2010^[5] Orders of the Regional Trial Court, Branch 11, Davao City (RTC) and held that respondent's action has not prescribed.

The Facts and Antecedent Proceedings

The sole issue for resolution in the instant case is whether or not respondent's action for recovery of possession has prescribed. The CA summarized the facts as follows:

[Petitioner] Nieves Selerio (Nieves) is the claimant, occupant, and possessor of a parcel of land identified as Lot 2, Block 14 located at Garcia Heights, Bajada, Davao City with an area of Six Hundred Square Meters (600 sq. m.). On September 18, 1993, Nieves executed a Deed of Transfer and Waiver of Rights, Interests and Improvements [(Deed)] over the subject land in favor of [respondent] Tregidio [Bancasan] (Tregidio) conveying, ceding, and selling the property including all improvements found thereon.

Nieves [supposedly] sold the subject property to Tregidio for Two Hundred Thousand Pesos ([P]200,000.00); and the former acknowledged to have received fifty percent (50%) of the amount from the latter. In the Deed, the parties agreed that the fifty percent 50% balance of the total consideration shall be paid only when Nieves and her family shall have vacated the subject premises which shall not go beyond April 30, 1994[, viz.:

x x x x

That for and in consideration of the sum of TWO HUNDRED THOUSAND PESOS ([P]200,000.00), Philippine Currency[, (50%) PERCENT of which amount is [hereby] acknowledged and confessed received by, and to the full satisfaction of,

TRANSFEROR from, and in hand paid by, TRANSFEREE, TRANSFEROR hereby cede[s], sell[s], transfers] and convey[s], and by these presents, has ceded, sold, transferred and conveyed to TRANSFEREE, his heirs, assigns and successors, the entirety of said Lot 2, Block 14, together with all the improvements found and existing, whether constructed or erected, and sown or planted therein;

That to allow sufficient time for TRANSFEROR for an orderly transfer of residence out of the lot, TRANSFEROR may reside in her former house which is included in this conveyance up to and until APRIL 30, 1994;

That the fifty (50%) percent balance in the herein consideration shall be given and paid to [the] TRANSFEROR only when she and her family shall have vacated the premises;

XXX X.][6]

After the [supposed] conveyance, however, Jose Selerio, and Cecilia Ababo filed a case docketed as Civil Case No. 22,601-94 for Partition, Accounting of Property Income and Attorney's Fees against Nieves, Tregidio and others. Jose Selerio and Cecilia Selerio Ababa claimed to be the illegitimate children of Nieves' husband. In that case, the parties executed a Compromise Agreement on September 2, 1997 duly approved by the RTC wherein the parties agreed to proceed with the sale over the subject property[, viz.:

x x x x

5. That plaintiffs expressly waived and relinquish all their rights and interest in the house and lot (600 sq. m.) at Garcia Heights, Bajada, Davao City, and the sale of the house and lot to Defendants spouses Teddy and Mrs. Emy [Bancasan] [herein respondents] shall proceed as agreed and approved by the parties.

xxxx][7]

On February 2, 2007, Tregidio, through counsel, sent a letter to [petitioners] demanding the latter to vacate the subject property. The demand remained unheeded.

Consequently, on February 28, 2007, Tregidio filed a Complaint for Recovery of Possession, Damages and Attorney's Fees [(Complaint)] against [petitioners] Nieves and Alicia Selerio (Alicia)[, Nieves' daughter-in-law,] alleging that he is entitled to the possession of the property by virtue of the Deed executed in his favor. On May 17, 2007, [petitioners] filed their Answer to the Complaint. They countered that Nieves was forced to affix her signature on the document upon which she readily acceded as she was in dire need of money at th[at] time; that she did

not appear before the notary public indicated in the Deed as during those years, she was incapable of engaging any travel to any far place, much less to Compostela, Davao del Norte which was very far from Davao City; that Nieves did not know that the document she signed is a transfer of rights, interests and improvements [as she was purportedly suffering from a very serious eye illness and she could neither see nor read];^[8] and that although the total consideration of the land is [P]200,000.00, which is in fact very low, what she actually received was only [P]50,000.00 and small amounts of money she spent for Civil Case No. 22,601-94.

On February 14, 2008, Nieves and Alicia filed their Amended Answer. This time, they alleged, as an affirmative defense, that based on the Deed itself, there was no absolute transfer of rights considering that there are conditions set therein; and that the Deed must be appreciated as similar to a contract to sell rather than a contract of sale due to the conditions set therein. They furthermore argued that Tregid[i]o's cause of action had already prescribed; that in effect, he is enforcing a written contract which prescribes in 10 years from the time the right of action accrued; that as stipulated in the contract, Nieves and Alicia had to vacate the property not later than April 30, 1994; and that since he filed his Complaint only on March 14, 2007, he had slept on his rights for more than 12 years.

The [RTC] a quo[, in its March 12, 2008 Order,^[9]] ordered the parties to submit their respective position papers on the affirmative defense of prescription.^[10]

The Ruling of the RTC

After the submission of the parties' position papers on the issue of prescription, the RTC dismissed respondent's Complaint and held that his cause of action had prescribed.^[11]

The RTC agreed with petitioners that although respondent filed a case for recovery of possession, he actually sought to enforce the Deed in order to gain possession over the property.^[12] As such, the action was actually one for specific performance based on a written contract,^[13] which prescribes in 10 years pursuant to Article 1144 of the Civil Code.^[14] As the case was filed only on March 14, 2007 or after almost 13 years from the time petitioners were obliged to vacate the property on April 30, 1994, the action was already barred by prescription.^[15]

In fact, the RTC went so far as to hold that no sale was perfected as petitioner Nieves never delivered the property^[16] and respondent never fully paid the price.^[17]

Respondent filed a motion for reconsideration, which the RTC subsequently denied.^[18] Thus, respondent filed his appeal before the CA.

The Ruling of the CA

In the Assailed Decision, the CA reversed the order of the RTC and held that the action was filed within the prescriptive period.^[19] The dispositive portion of the Assailed Decision stated:

WHEREFORE, the appeal is hereby GRANTED. The Orders dated March 17, 2009 and March 22, 2010 of the Regional Trial Court, Branch 11, Davao City in Civil Case No. 31772-01 are REVERSED and SET ASIDE. Let this case be REMANDED to the trial court which is DIRECTED to proceed and hear [respondent's] Complaint.

SO ORDERED.^[20]

Contrary to the conclusions of the RTC, the CA held that the parties entered into a contract of sale.^[21] Further, the CA held that based on the express terms of the Deed, *i.e.*, that the "x x x TRANSFEROR hereby cede[s], sell[s], transfers] and convey[s], and by these presents, has ceded, sold, transferred and conveyed, to TRANSFEREE, his heirs, assigns and successors, the entirety of said Lot 2, Block 14, x x x",^[22] petitioners already "transferred ownership of the subject property [to respondent] in exchange for the amount of [P]200,000.00."^[23]

As respondent was already the owner of the subject property, the CA held that the prescriptive period for the latter's action to recover the property did not commence to run until February 2, 2007, *i.e.*, when petitioners refusal to vacate the property despite demand, respondent's cause of action accrued.^[24] It was of no moment that petitioners stayed well beyond the April 30, 1994 deadline prescribed under the Deed as their possession of the property was by mere tolerance of respondent.^[25] Since the instant complaint was filed on February 28, 2007, the CA held that respondent's cause of action for recovery of possession was filed well-within the prescriptive period.^[26]

In the Assailed Resolution, the CA denied petitioners' motion for reconsideration.^[27]

Hence, this Petition.

Issues

Whether or not respondent's cause of action has prescribed.

The Court's Ruling

The Court agrees with the CA that the action has **not prescribed**, albeit for a different reason.

At this juncture, the Court finds it proper to first stress that the RTC grossly erred in holding that no sale was perfected as petitioner Nieves never delivered the property^[28] and respondent never fully paid the price.^[29] It is elementary that a contract of sale is perfected by mere consent. In *Beltran v. Spouses Cangayda, Jr.*,^[30] the Court held:

A contract of sale is consensual in nature, and is perfected upon the concurrence of its essential requisites, thus:

The essential requisites of a contract under Article 1318 of the New Civil Code are: (1) consent of the contracting parties; (2) object certain which is the subject matter of the contract; and (3) cause of the obligation which is established. Thus, contracts, other than real contracts are perfected by mere consent which is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract. Once perfected, they bind other contracting parties and the obligations arising therefrom have the force of law between the parties and should be complied with in good faith. The parties are bound not only to the fulfillment of what has been expressly stipulated but also to the consequences which, according to their nature, may be in keeping with good faith, usage and law.

Being a consensual contract, sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price. From that moment, the parties may reciprocally demand performance, subject to the provisions of the law governing the form of contracts. A perfected contract of sale imposes reciprocal obligations on the parties whereby the vendor obligates himself to transfer the ownership of and to deliver a determinate thing to the buyer who, in turn, is obligated to pay a price certain in money or its equivalent. Failure of either party to comply with his obligation entitles the other to rescission as the power to rescind is implied in reciprocal obligations.^[31]

As a contract of sale is consensual in nature, the Court, in *Buenaventura v. Court of Appeals*,^[32] explained:

It is not the *[sic]* payment of [the] price that determines the validity of a contract of sale. Payment of the price has nothing to do with the perfection of the contract. Payment of the price goes into the performance of the contract. Failure to pay the consideration is different from lack of consideration. The former results in a right to demand the fulfillment or cancellation of the obligation under an existing valid contract while the latter prevents the existence of a valid contract.^[33]

Similarly, noted legal expert Dean Cesar L. Villanueva likewise explained:

Under Article 1475 of the Civil Code, from the moment of perfection of the sale, the parties may reciprocally demand performance, even when the parties have not affixed their signatures to the written form of such sale, but subject to the provisions of the law governing the form of contracts. Consequently, the actual delivery of the subject matter or payment of the price agreed upon are not necessary components to establish the existence of a valid sale; and their non-performance do not also invalidate or render "void" a sale that has begun to exist as a valid contract at perfection; non-performance, merely becomes the legal basis