

FIRST DIVISION

[G.R. No. 126376, November 20, 2003]

SPOUSES BERNARDO BUENAVENTURA AND CONSOLACION JOAQUIN, SPOUSES JUANITO EDRA AND NORA JOAQUIN, SPOUSES RUFINO VALDOZ AND EMMA JOAQUIN, AND NATIVIDAD JOAQUIN, PETITIONERS, VS. COURT OF APPEALS, SPOUSES LEONARDO JOAQUIN AND FELICIANA LANDRITO, SPOUSES FIDEL JOAQUIN AND CONCHITA BERNARDO, SPOUSES TOMAS JOAQUIN AND SOLEDAD ALCORAN, SPOUSES ARTEMIO JOAQUIN AND SOCORRO ANGELES, SPOUSES ALEXANDER MENDOZA AND CLARITA JOAQUIN, SPOUSES TELESFORO CARREON AND FELICITAS JOAQUIN, SPOUSES DANILO VALDOZ AND FE JOAQUIN, AND SPOUSES GAVINO JOAQUIN AND LEA ASIS, RESPONDENTS.

D E C I S I O N

CARPIO, J.:

The Case

This is a petition for review on *certiorari*^[1] to annul the Decision^[2] dated 26 June 1996 of the Court of Appeals in CA-G.R. CV No. 41996. The Court of Appeals affirmed the Decision^[3] dated 18 February 1993 rendered by Branch 65 of the Regional Trial Court of Makati ("trial court") in Civil Case No. 89-5174. The trial court dismissed the case after it found that the parties executed the Deeds of Sale for valid consideration and that the plaintiffs did not have a cause of action against the defendants.

The Facts

The Court of Appeals summarized the facts of the case as follows:

Defendant spouses Leonardo Joaquin and Felician Landrito are the parents of plaintiffs Consolacion, Nora, Emma and Natividad as well as of defendants Fidel, Tomas, Artemio, Clarita, Felicitas, Fe, and Gavino, all surnamed JOAQUIN. The married Joaquin children are joined in this action by their respective spouses.

Sought to be declared null and void ab initio are certain deeds of sale of real property executed by defendant parents Leonardo Joaquin and Felician Landrito in favor of their co-defendant children and the corresponding certificates of title issued in their names, to wit:

1. Deed of Absolute Sale covering Lot 168-C-7 of subdivision plan (LRC) Psd-256395 executed on 11 July 1978, in favor of defendant Felicitas Joaquin, for a

consideration of P6,000.00 (Exh. "C"), pursuant to which TCT No. [36113/T-172] was issued in her name (Exh. "C-1");

2. Deed of Absolute Sale covering Lot 168-I-3 of subdivision plan (LRC) Psd-256394 executed on 7 June 1979, in favor of defendant Clarita Joaquin, for a consideration of P1^[2],000.00 (Exh. "D"), pursuant to which TCT No. S-109772 was issued in her name (Exh. "D-1");
 3. Deed of Absolute Sale covering Lot 168-I-1 of subdivision plan (LRC) Psd-256394 executed on 12 May 1988, in favor of defendant spouses Fidel Joaquin and Conchita Bernardo, for a consideration of P54,^[3]00.00 (Exh. "E"), pursuant to which TCT No. 155329 was issued to them (Exh. "E-1");
 4. Deed of Absolute Sale covering Lot 168-I-2 of subdivision plan (LRC) Psd-256394 executed on 12 May 1988, in favor of defendant spouses Artemio Joaquin and Socorro Angeles, for a consideration of P[54,3]00.00 (Exh. "F"), pursuant to which TCT No. 155330 was issued to them (Exh. "F-1"); and
 5. Absolute Sale of Real Property covering Lot 168-C-4 of subdivision plan (LRC) Psd-256395 executed on 9 September 1988, in favor of Tomas Joaquin, for a consideration of P20,000.00 (Exh. "G"), pursuant to which TCT No. 157203 was issued in her name (Exh. "G-1").
- [6. Deed of Absolute Sale covering Lot 168-C-1 of subdivision plan (LRC) Psd-256395 executed on 7 October 1988, in favor of Gavino Joaquin, for a consideration of P25,000.00 (Exh. "K"), pursuant to which TCT No. 157779 was issued in his name (Exh. "K-1").]

In seeking the declaration of nullity of the aforesaid deeds of sale and certificates of title, plaintiffs, in their complaint, aver:

- XX-

The deeds of sale, Annexes "C," "D," "E," "F," and "G," [and "K"] are simulated as they are, are NULL AND VOID AB INITIO because -

- a) Firstly, there was no actual valid consideration for the deeds of sale xxx over the properties in litis;
- b) Secondly, assuming that there was consideration in the sums reflected in the questioned deeds, the properties are more than three-fold times more valuable than the measly sums appearing therein;
- c) Thirdly, the deeds of sale do not reflect and express the true intent of the parties (vendors and vendees); and
- d) Fourthly, the purported sale of the properties in litis was the result of a deliberate conspiracy designed to unjustly deprive the rest of the compulsory heirs (plaintiffs herein) of their legitime.

- XXI -

Necessarily, and as an inevitable consequence, Transfer Certificates of Title Nos. 36113/T-172, S-109772, 155329, 155330, 157203 [and 157779] issued by the Registrar of Deeds over the properties in litis xxx are NULL AND VOID AB INITIO.

Defendants, on the other hand aver (1) that plaintiffs do not have a cause of action against them as well as the requisite standing and interest to assail their titles over the properties in litis; (2) that the sales were with sufficient considerations and made by defendants parents voluntarily, in good faith, and with full knowledge of the consequences of their deeds of sale; and (3) that the certificates of title were issued with sufficient factual and legal basis.^[4] (Emphasis in the original)

The Ruling of the Trial Court

Before the trial, the trial court ordered the dismissal of the case against defendant spouses Gavino Joaquin and Lea Asis.^[5] Instead of filing an Answer with their co-defendants, Gavino Joaquin and Lea Asis filed a Motion to Dismiss.^[6] In granting the dismissal to Gavino Joaquin and Lea Asis, the trial court noted that "compulsory heirs have the right to a legitime but such right is contingent since said right commences only from the moment of death of the decedent pursuant to Article 777 of the Civil Code of the Philippines."^[7]

After trial, the trial court ruled in favor of the defendants and dismissed the complaint. The trial court stated:

In the first place, the testimony of the defendants, particularly that of the xxx father will show that the Deeds of Sale were all executed for valuable consideration. This assertion must prevail over the negative allegation of plaintiffs.

And then there is the argument that plaintiffs do not have a valid cause of action against defendants since there can be no legitime to speak of prior to the death of their parents. The court finds this contention tenable. In determining the legitime, the value of the property left at the death of the testator shall be considered (Art. 908 of the New Civil Code). Hence, the legitime of a compulsory heir is computed as of the time of the death of the decedent. Plaintiffs therefore cannot claim an impairment of their legitime while their parents live.

All the foregoing considered, this case is DISMISSED.

In order to preserve whatever is left of the ties that should bind families together, the counterclaim is likewise DISMISSED.

No costs.

SO ORDERED.^[8]

The Ruling of the Court of Appeals

The Court of Appeals affirmed the decision of the trial court. The appellate court ruled:

To the mind of the Court, appellants are skirting the real and decisive issue in this case, which is, whether xxx they have a cause of action against appellees.

Upon this point, there is no question that plaintiffs-appellants, like their defendant brothers and sisters, are compulsory heirs of defendant spouses, Leonardo Joaquin and Feliciano Landrito, who are their parents. However, their right to the properties of their defendant parents, as compulsory heirs, is merely inchoate and vests only upon the latter's death. While still alive, defendant parents are free to dispose of their properties, provided that such dispositions are not made in fraud of creditors.

Plaintiffs-appellants are definitely not parties to the deeds of sale in question. Neither do they claim to be creditors of their defendant parents. Consequently, they cannot be considered as real parties in interest to assail the validity of said deeds either for gross inadequacy or lack of consideration or for failure to express the true intent of the parties. In point is the ruling of the Supreme Court in *Velarde, et al. vs. Paez, et al.*, 101 SCRA 376, thus:

The plaintiffs are not parties to the alleged deed of sale and are not principally or subsidiarily bound thereby; hence, they have no legal capacity to challenge their validity.

Plaintiffs-appellants anchor their action on the supposed impairment of their legitime by the dispositions made by their defendant parents in favor of their defendant brothers and sisters. But, as correctly held by the court a quo, "the legitime of a compulsory heir is computed as of the time of the death of the decedent. Plaintiffs therefore cannot claim an impairment of their legitime while their parents live."

With this posture taken by the Court, consideration of the errors assigned by plaintiffs-appellants is inconsequential.

WHEREFORE, the decision appealed from is hereby AFFIRMED, with costs against plaintiffs-appellants.

SO ORDERED. ^[9]

Hence, the instant petition.

Issues

Petitioners assign the following as errors of the Court of Appeals:

1. THE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE CONVEYANCE IN QUESTION HAD NO VALID CONSIDERATION.