

SECOND DIVISION

[G.R. No. 135634, May 31, 2000]

HEIRS OF JUAN SAN ANDRES (VICTOR S. ZIGA) AND SALVACION S. TRIA, PETITIONERS, VS. VICENTE RODRIGUEZ, RESPONDENT.

DECISION

MENDOZA, J.:

This is a petition for review on certiorari of the decision of the Court of Appeals^[1] reversing the decision of the Regional Trial Court, Naga City, Branch 19, in Civil Case No. 87-1335, as well as the appellate court's resolution denying reconsideration.

The antecedent facts are as follows:

Juan San Andres was the registered owner of Lot No. 1914-B-2 situated in Liboton, Naga City. On September 28, 1964, he sold a portion thereof, consisting of 345 square meters, to respondent Vicente S. Rodriguez for P2,415.00. The sale is evidenced by a Deed of Sale.^[2]

Upon the death of Juan San Andres on May 5, 1965, Ramon San Andres was appointed judicial administrator of the decedent's estate in Special Proceedings No. R-21, RTC, Branch 19, Naga City. Ramon San Andres engaged the services of a geodetic engineer, Jose Peñero, to prepare a consolidated plan (Exh. A) of the estate. Engineer Peñero also prepared a sketch plan of the 345-square meter lot sold to respondent. From the result of the survey, it was found that respondent had enlarged the area which he purchased from the late Juan San Andres by 509 square meters.^[3]

Accordingly, the judicial administrator sent a letter,^[4] dated July 27, 1987, to respondent demanding that the latter vacate the portion allegedly encroached by him. However, respondent refused to do so, claiming he had purchased the same from the late Juan San Andres. Thereafter, on November 24, 1987, the judicial administrator brought an action, in behalf of the estate of Juan San Andres, for recovery of possession of the 509-square meter lot.

In his Re-amended Answer filed on February 6, 1989, respondent alleged that apart from the 345-square meter lot which had been sold to him by Juan San Andres on September 28, 1964, the latter likewise sold to him the following day the remaining portion of the lot consisting of 509 square meters, with both parties treating the two lots as one whole parcel with a total area of 854 square meters. Respondent alleged that the full payment of the 509-square meter lot would be effected within five (5) years from the execution of a formal deed of sale after a survey is conducted over said property. He further alleged that with the consent of the former owner, Juan San Andres, he took possession of the same and introduced improvements thereon as early as 1964.

As proof of the sale to him of 509 square meters, respondent attached to his answer a receipt (Exh. 2)^[5] signed by the late Juan San Andres, which reads in full as follows: Misssdaa

Received from Vicente Rodriguez the sum of Five Hundred (P500.00) Pesos representing an advance payment for a residential lot adjoining his previously paid lot on three sides excepting on the frontage with the agreed price of Fifteen (15.00) Pesos per square meter and the payment of the full consideration based on a survey shall be due and payable in five (5) years period from the execution of the formal deed of sale; and it is agreed that the expenses of survey and its approval by the Bureau of Lands shall be borne by Mr. Rodriguez.

Naga City, September 29, 1964.

(Sgd.)
JUAN R. SAN ANDRES
Vendor

Noted:

(Sgd.)
VICENTE RODRIGUEZ
Vendee

Respondent also attached to his answer a letter of judicial administrator Ramon San Andres (Exh. 3),^[6] asking payment of the balance of the purchase price. The letter reads:

Dear Inting,

Please accommodate my request for Three Hundred (P300.00) Pesos as I am in need of funds as I intimated to you the other day.

We will just adjust it with whatever balance you have payable to the subdivision.

Thanks.

Sincerely,

(Sgd.)
RAMON SAN ANDRES

Vicente Rodriguez
Penafrancia Subdivision, Naga City

P.S.

You can let bearer Enrique del Castillo sign for the amount.

Received One Hundred Only
(Sgd.)
RAMON SAN ANDRES
3/30/66

Respondent deposited in court the balance of the purchase price amounting to P7,035.00 for the aforesaid 509-square meter lot.

While the proceedings were pending, judicial administrator Ramon San Andres died and was substituted by his son Ricardo San Andres. On the other hand, respondent Vicente Rodriguez died on August 15, 1989 and was substituted by his heirs.^[7]

Petitioner, as plaintiff, presented two witnesses. The first witness, Engr. Jose Peñero,^[8] testified that based on his survey conducted sometime between 1982 and 1985, respondent had enlarged the area which he purchased from the late Juan San Andres by 509 square meters belonging to the latter's estate. According to Peñero, the titled property (Exh. A-5) of respondent was enclosed with a fence with metal holes and barbed wire, while the expanded area was fenced with barbed wire and bamboo and light materials.

The second witness, Ricardo San Andres,^[9] administrator of the estate, testified that respondent had not filed any claim before Special Proceedings No. R-21 and denied knowledge of Exhibits 2 and 3. However, he recognized the signature in Exhibit 3 as similar to that of the former administrator, Ramon San Andres. Finally, he declared that the expanded portion occupied by the family of respondent is now enclosed with barbed wire fence unlike before where it was found without fence.

On the other hand, Bibiana B. Rodriguez,^[10] widow of respondent Vicente Rodriguez, testified that they had purchased the subject lot from Juan San Andres, who was their compadre, on September 29, 1964, at P15.00 per square meter. According to her, they gave P500.00 to the late Juan San Andres who later affixed his signature to Exhibit 2. She added that on March 30, 1966, Ramon San Andres wrote them a letter asking for P300.00 as partial payment for the subject lot, but they were able to give him only P100.00. She added that they had paid the total purchase price of P7,035.00 on November 21, 1988 by depositing it in court. Bibiana B. Rodriguez stated that they had been in possession of the 509-square meter lot since 1964 when the late Juan San Andres signed the receipt. (Exh. 2) Lastly, she testified that they did not know at that time the exact area sold to them because they were told that the same would be known after the survey of the subject lot.

On September 20, 1994, the trial court^[11] rendered judgment in favor of petitioner. It ruled that there was no contract of sale to speak of for lack of a valid object because there was no sufficient indication in Exhibit 2 to identify the property subject of the sale, hence, the need to execute a new contract.

Respondent appealed to the Court of Appeals, which on April 21, 1998 rendered a decision reversing the decision of the trial court. The appellate court held that the object of the contract was determinable, and that there was a conditional sale with the balance of the purchase price payable within five years from the execution of the deed of sale. The dispositive portion of its decision's reads:

IN VIEW OF ALL THE FOREGOING, the judgment appealed from is hereby REVERSED and SET ASIDE and a new one entered DISMISSING the complaint and rendering judgment against the plaintiff-appellee:

1. to accept the P7,035.00 representing the balance of the purchase price of the portion and which is deposited in court under Official Receipt No. 105754 (page 122, Records);
2. to execute the formal deed of sale over the said 509 square meter portion of Lot 1914-B-2 in favor of appellant Vicente Rodriguez;
3. to pay the defendant-appellant the amount of P50,000.00 as damages and P10,000.00 attorney's fees as stipulated by them during the trial of this case; and
4. to pay the costs of the suit.

SO ORDERED.

Hence, this petition. Petitioner assigns the following errors as having been allegedly committed by the trial court:

- I. THE HON. COURT OF APPEALS ERRED IN HOLDING THAT THE DOCUMENT (EXHIBIT "2") IS A CONTRACT TO SELL DESPITE ITS LACKING ONE OF THE ESSENTIAL ELEMENTS OF A CONTRACT, NAMELY, OBJECT CERTAIN AND SUFFICIENTLY DESCRIBED.
- II. THE HON. COURT OF APPEALS ERRED IN HOLDING THAT PETITIONER IS OBLIGED TO HONOR THE PURPORTED CONTRACT TO SELL DESPITE NON-FULFILLMENT BY RESPONDENT OF THE CONDITION THEREIN OF PAYMENT OF THE BALANCE OF THE PURCHASE PRICE.
- III. THE HON. COURT OF APPEALS ERRED IN HOLDING THAT CONSIGNATION WAS VALID DESPITE NON-COMPLIANCE WITH THE MANDATORY REQUIREMENTS THEREOF.
- IV. THE HON. COURT OF APPEALS ERRED IN HOLDING THAT LACHES AND PRESCRIPTION DO NOT APPLY TO RESPONDENT WHO SOUGHT INDIRECTLY TO ENFORCE THE PURPORTED CONTRACT AFTER THE LAPSE OF 24 YEARS.

The petition has no merit.

First. Art. 1458 of the Civil Code provides:

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.

A contract of sale may be absolute or conditional.

As thus defined, the essential elements of sale are the following: