

**Republic of the Philippines**  
**Supreme Court**  
**Manila**

**FIRST DIVISION**

**MARYLINE ESTEBAN,**  
 Petitioner,

**G.R. No. 235364**

Present:  
**GESMUNDO, C.J.,**  
*Chairperson,*  
**CAGUIOA,**  
**CARANDANG,**  
**ZALAMEDA, and**  
**GAERLAN, JJ.**

-versus-

**RADLIN CAMPANO, and all persons**  
**claiming rights under him,**  
 Respondents.

**Promulgated:**

**APR 26 2021**

X -----X

**DECISION**

**CARANDANG, J.:**

This Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court assails the Decision<sup>2</sup> dated January 27, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 100994, which dismissed petitioner Maryline Esteban's (Maryline) complaint for recovery of possession; and the Resolution<sup>3</sup> dated October 20, 2017 denying petitioner's motion for reconsideration.

**Facts of the Case**

This case originated from a complaint<sup>4</sup> for recovery of possession filed by Maryline against respondent Radlin Campano (Campano) before the

<sup>1</sup> *Rollo*, pp. 3-12.

<sup>2</sup> Penned by Associate Justice Maria Elisa Sempio Diy, with the concurrence Associate Justices Ramon M. Bato, Jr. and Manuel M. Barrios; *id.* at 23-32.

<sup>3</sup> *Id.* at 19-21.

<sup>4</sup> Records, pp. 1-3.

Regional Trial Court (RTC) of Trece Martires City, Branch 23.

Elpidio Talactac (Elpidio) and Maryline were married on January 30, 1988. They begot two children, Gielyn and DeeJay Rap. They owned the following properties, which are the subject matter of the case, to wit: (1) eight-door apartment built on a 169-square meter lot situated in Philippine National Railway (PNR) Lot, Tramo, Amaya, Tanza, Cavite; (2) rest house built on a 168-square meter lot, PNR Lot, Tramo, Amaya, Tanza, Cavite; and (3) pavilion house built on a 288-square meter lot, PNR Lot, Tramo, Amaya, Tanza, Cavite.<sup>5</sup>

Their marriage turned sour. In October 2005, Maryline filed a petition for annulment of marriage with support pendete lite against Elpidio before the RTC. During the pendency of the proceedings, Maryline and Elpidio executed a Compromise Agreement dated October 26, 2006, wherein Elpidio relinquished in favor of Maryline the following properties as part of the liquidation of their property regime: (1) 100-square meter real property located at Block 11, Lot 24, Springfield Subdivision, Sahud Ulan, Tanza, Cavite; (2) Mercedes Benz 100 Saanyong Van with plate no. WEL-555; (3) house and lot with an area of 800 square meters (right only) located at Tramo Road, Amaya, Tanza, Cavite; (4) eight-room apartment (right only) with an area of 140 square meters located at Tramo Road, Amaya, Tanza, Cavite; (5) Suzuki Dropside Vehicle with plate no. GJU-448; and (6) one Lifan Motorcycle – 100cc. Elpidio likewise committed to provide the sum of ₱200,000.00 for the repair of the house for Maryline and their children. The terms of the compromise agreement were incorporated in the January 5, 2007 Decision of the annulment court granting Maryline's petition declaring their marriage null and void. However, when the Sheriff sought to implement the writ of execution issued in the annulment case, the Sheriff could not enforce the writ over the eight-door apartment and the house on the 800-square meter lot. Campano, who was in actual occupation, claimed ownership over the same.<sup>6</sup>

It appeared that Elpidio previously executed three documents denominated as *Kasulatan sa Pagsasalin ng Karapatan ng Lupang Tramo* on different dates – December 4, 2004, March 30, 2005, and April 10, 2005 - transferring and assigning 169-square meter, 168-square meter, and 288-square meter lots in Tramo, Amaya, Tanza, Cavite in favor of Campano.<sup>7</sup>

On January 22, 2007, Elpidio executed *Pagbawi ng Pagsasalin ng Karapatan ng Lupang Tramo at Paggawa ng Kapangyarihan (Pagbawi)* revoking and withdrawing the assignment of the Tramo properties in favor of Campano and giving said properties to Maryline as the latter's share in the conjugal property. Elpidio stated in the *Pagbawi* that the agreement to transfer the properties in favor of Campano was only temporary, without any consideration, and not notarized. Elpidio also designated Maryline as his

<sup>5</sup> Id. at 1, 7.

<sup>6</sup> *Rollo*, pp. 24-26.

<sup>7</sup> Id. at 37-38.

authorized representative to recover the properties from Campano. Elpidio submitted the document to the annulment court. Demands to vacate and resort to barangay conciliation proved futile. Hence, Maryline instituted this complaint for recovery of possession of the properties: (1) eight-door apartment; (2) rest house; and (3) pavilion house, all situated in PNR Lot, Tramo, Amaya, Tanza, Cavite.<sup>8</sup>

In his Answer, Campano prayed that the complaint be dismissed for failure to state a cause of action. He alleged that since December 4, 2004, he is the actual occupant and owner of the improvements constructed in the PNR Lot. He submitted in evidence Certifications issued by the barangay chairman of Amaya I, Tanza, Cavite, and the Municipal Mayor of Tanza, Cavite. According to Campano, these certifications were issued to him in relation to Section 4 of Executive Order No. 48 which declared non-core properties of the PNR as socialized housing sites and the distribution thereof to *bona fide* occupants. Campano also submitted tax declarations and a tax receipt. He further declared that the property had been surveyed to support his then pending application for lease of the PNR property on which the improvements had been made. Said application is pending approval with the PNR Real Estate Development. Campano averred that the compromise agreement executed by Elpidio and Maryline is void insofar as the properties are concerned since Elpidio had no more interest over these properties even before the execution of said agreement.<sup>9</sup>

Campano further claimed that the complaint is premature since there was no effective prior demand. Even assuming that prior demand had been made, a case for unlawful detainer should have been made considering that the period of one-year from the time of last demand had not yet lapsed.<sup>10</sup>

Maryline testified that Campano is the best friend of Elpidio and was their former employee. She stated that her husband is the owner of the properties. She presented a document, *Pagsasalin ng Karapatan* dated March 26, 2002, showing that Elpidio bought the rights over the lot from Isidro Umagat, the previous owner. She also submitted a certification from the hardware store where they bought the materials for the construction of the properties. She also identified the *Kasunduan* dated December 9, 2004 between Elpidio and Campano, which stated that the latter is only a caretaker of the properties. Maryline also testified that she filed a criminal case for physical injuries against Campano and was convicted.<sup>11</sup>

Juana Petalcurin, a close friend of Maryline, also took the witness stand. She testified that it is impossible for Campano to acquire the properties considering that Campano is only an employee of the spouses. She signed as a witness in the Compromise Agreement between Elpidio and Maryline. She also stated that she was present during the execution of the judgment but they

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<sup>8</sup> Id. at 25-26.

<sup>9</sup> Id. at 28-29, 41-43.

<sup>10</sup> Id. at 46-47.

<sup>11</sup> Records, pp. 84-86.



were blocked or harmed by Campano.<sup>12</sup>

For his part, Campano testified that he occupied the properties by virtue of the *Kasulatan sa Pagsasalin ng Karapatan ng Lupang Tramo* executed by Elpidio in his favor. He then processed the tax declarations of the properties. He presented a tax receipt covering the years 2007 and 2010. He stated that he filed an Application to Lease PNR Property in 2006, after which a survey was conducted on the property. Campano also presented a lease contract with PNR covering a residential lot.<sup>13</sup>

### **Ruling of the Regional Trial Court**

On January 24, 2013, the RTC rendered a Decision<sup>14</sup> granting Maryline's complaint for recovery of possession and directing Campano and all persons claiming rights under him to vacate and restore to Maryline the possession of the properties. The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff as against the defendant and all persons claiming rights under him, as follows, to wit:

a) To vacate the premises and restore possession to the plaintiff the following properties, to wit:

a.a) Eight (8) – door apartment erected on a 169-square meter lot situated in Philippine National Railway Lot, Tramo, Amaya, Tanza, Cavite;

b.b) Resthouse erected on a 168-square meter lot, PNR Lot, Tramo, Amaya, Tanza, Cavite;

c.c) Pavillon house erected on a 288-square meter lot, PNR Lot, Tramo, Amaya, Tanza, Cavite.

b) To pay the plaintiff the amount of Php30,000.00 as attorney's fees and the sum of Php3,500.00 as and for appearance fee for every hearing attended.

c) To pay the costs of suit.

SO ORDERED.<sup>15</sup>

The RTC held that while Elpidio transferred all his rights over the properties in favor of Campano when he executed the three documents, Elpidio subsequently revoked these transfers when he executed the *Pagbawi*. Further, the RTC declared that the demands were properly served upon Campano on different dates but these went unheeded.<sup>16</sup>

Campano appealed the ruling to the CA.

<sup>12</sup> Id. at 169-170.

<sup>13</sup> Id. at 170-171.

<sup>14</sup> Penned by Executive Judge Aurelio G. Icasiano, Jr.; id. at 227-231.

<sup>15</sup> Id. at 231.

<sup>16</sup> Id. at 230-231.

### **Ruling of the Court of Appeals**

In its Decision<sup>17</sup> dated January 27, 2017, the CA reversed the RTC Decision and dismissed the complaint for recovery of possession. The CA ruled that Campano has sufficiently established by preponderance of evidence his better right of possession over the properties. It explained that (1) Campano acquired the property from Elpidio by virtue of the three (3) instruments denominated as *Kasulatan sa Pagsasalin ng Karapatan ng Lupang Tramo*; (2) Maryline did not refute this fact and even admits the fact of transfer; and (3) Elpidio cannot unilaterally rescind these instruments; hence, the revocation was without any legal consequence or effect. The efficacy of the transfers to Campano remains.<sup>18</sup>

Maryline moved for reconsideration but it was denied in the Resolution<sup>19</sup> dated October 20, 2017.

Hence, Maryline filed this Petition for Review on *Certiorari* under Rule 45.

### **Issues**

The issues are: (1) whether the CA correctly dismissed the complaint for recovery of possession; and (2) whether Campano has the better right to possess the properties.

### **Petitioner's Arguments**

Maryline argues that the transfer by Elpidio of the properties in favor of Campano, without her consent, is void from the very beginning. The three *Kasulatan sa Pagsasalin ng Karapatan ng Lupang Tramo* did not validly convey the properties to Campano as it was executed without Maryline's consent, who was still Elpidio's wife at the time of the alleged transfer. Citing Articles 96 and 124 of the Family Code and Article 1409 of the Civil Code of the Philippines, Maryline claims that the three agreements are void. While it can be construed as a continuing offer on the part of Elpidio and Campano, it was never perfected because Maryline did not accept the agreement before the offer was withdrawn by Elpidio in accordance with law. Maryline contends that the agreements between Elpidio and Campano were executed purposely to foreclose and deny whatever right Maryline may have over the properties. She submitted a *Kasunduan* dated December 9, 2004 between Elpidio and Campano to show that the latter is receiving a monthly compensation as caretaker of the properties; and that Campano agreed not to adjudicate the properties to himself considering that the intended beneficiaries are the children of Elpidio and Maryline.<sup>20</sup>

### **Respondent's Arguments**

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<sup>17</sup> Supra note 2.  
<sup>18</sup> *Rollo*, pp. 29-32.  
<sup>19</sup> Supra note 3.  
<sup>20</sup> *Rollo*, pp. 6-12.

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Campano avers that the CA correctly gave probative value to the three documents which unconditionally conveyed the properties to him. He contends that his right cannot be prejudiced by the unilateral revocation by Elpidio of the agreements in clear disregard of the perfected contract of conveyance. Campano posits that Elpidio can no longer take back something that he has validly and unconditionally conveyed. He cannot be ousted of possession merely on the basis of the self-serving *Pagbawi*. The pieces of documentary evidence submitted and identified by Campano proved the latter's ownership and absolute dominion over the properties.<sup>21</sup>

Campano also averred that Maryline admitted that the PNR is the owner of the properties, which manages and exercises acts of dominion over the same. Maryline testified on cross that they are merely informal settlers on the untitled property. Even on appeal, Maryline failed to substantiate her claim of possession other than the self-serving revocation to justify her right over the properties. Campano points out that before the filing of this case in 2008, the notarized Contract of Lease had been executed on September 25, 2007. Also, Maryline did not even pay real property taxes.<sup>22</sup>

### Ruling of the Court

The petition is meritorious.

As a general rule, the Court does not disturb the factual findings of the appellate court. A re-examination of factual findings cannot be done in a petition for review on *certiorari* because the Court is not a trier of facts but reviews only questions of law. However, this case falls under one of the recognized exceptions thereto because the factual findings of the trial court and appellate court are conflicting.<sup>23</sup>

The RTC granted the complaint for recovery of possession ruling that Campano's rights over the properties were subsequently revoked by Elpidio when he executed the *Pagbawi ng Pagsasalin ng Karapatan ng Lupang Tramo at Paggawa ng Kapangyarihan*. The CA, on the other hand, dismissed the complaint ratiocinating that Elpidio cannot unilaterally rescind the *Kasulatan sa Pagsasalin ng Karapatan ng Lupang Tramo*. The revocation made by Elpidio was without any legal consequence or effect; thus, the efficacy of the transfers to Campano remains.

The ownership of the lot is not in issue. The parties admit that it is owned by the PNR. The subject matter of this case pertains only to the improvements on the lot, *i.e.*, eight-door apartment, rest house, and pavilion house, which, according to Maryline form part of their conjugal property.

Elpidio and Maryline were married on January 30, 1988, hence, the provisions of the Civil Code govern the couple's property relations. Under

<sup>21</sup> Id. at 41.

<sup>22</sup> Id. at 42-46.

<sup>23</sup> *Sps. Tumibay v. Sps. Lopez*, 710 Phil. 19, 28 (2013).

Article 119<sup>24</sup> thereof, the property relations of Elpidio and Maryline is conjugal partnership of gains. Considering that the properties were acquired during the subsistence of their marriage, these are conjugal in nature.

Maryline asserts that the three agreements are void for the transfers were executed without her consent, citing Articles 96 and 124 of the Family Code and Article 1409 of the Civil Code.

Since the Civil Code provisions govern the property relations of Elpidio and Maryline, Articles 166<sup>25</sup> and 173<sup>26</sup> should be applied to determine whether the transfer of the properties without the consent of the wife is void, and not the Family Code provisions.

In the very recent case of *Spouses Cueno v. Spouses Bautista*,<sup>27</sup> decided by the Court En Banc under the *ponencia* of Justice Caguioa, the Court settled the recurring conflict on the proper characterization of a transfer of conjugal property entered into without a wife's consent as merely voidable and not void. The Court abandoned all cases contrary thereto and held that the prevailing and correct rule is that "a sale that fails to comply with Article 166 is not "void" but merely "voidable" in accordance with Article 173 of the Civil Code."<sup>28</sup> Unlike void contracts, voidable or annulable contracts, before they are set aside, are existent, valid, binding and are effective and are obligatory between the parties.<sup>29</sup> They may be ratified and the action to annul the same may be barred by prescription.<sup>30</sup>

The Court further explained in *Spouses Cueno* that Article 173 is explicit that the action for the annulment of a contract involving conjugal real property entered into by a husband without the wife's consent must be brought (1) by the wife, (2) during the marriage, and (3) within ten years from the questioned transaction.<sup>31</sup>

After a judicious examination of three *Kasulatan* dated December 4, 2004, March 30, 2005, and April 10, 2005, the Court finds that Articles 166 and 173 of the Civil Code do not apply so as to characterize these three (3)

<sup>24</sup> Article 119. The future spouses may in the marriage settlements agree upon absolute or relative community of property, or upon complete separation of property, or upon any other regime. In the absence of marriage settlements, or when the same are void, the system of relative community or conjugal partnership of gains as established in this Code, shall govern the property relations between husband and wife.

<sup>25</sup> Article 166. Unless the wife has been declared a *non compos mentis* or a spendthrift, or is under civil interdiction or is confined in a leprosarium, the husband cannot alienate or encumber any real property of the conjugal partnership without the wife's consent. If she refuses unreasonably to give her consent, the court may compel her to grant the same.

<sup>26</sup> Article 173. The wife may, during the marriage, and within ten years from the transaction questioned, ask the courts for the annulment of any contract of the husband entered into without her consent, when such consent is required, or any act or contract of the husband which tends to defraud her or impair her interest in the conjugal partnership property. Should the wife fail to exercise this right, she or her heirs, after the dissolution of the marriage, may demand the value of property fraudulently alienated by the husband.

<sup>27</sup> G.R. No. 246445, March 2, 2021.

<sup>28</sup> Id.

<sup>29</sup> Id.

<sup>30</sup> Id.

<sup>31</sup> Id.

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*Kasulatan* as voidable. From the cases<sup>32</sup> cited in *Spouses Cueno*, it can be inferred that the conveyances executed without the consent of the wife were “real transfers of properties with consideration”, such that without the consent of the wife, these transfers are only voidable consistent with Article 173 of the Civil Code.

In this case, the Court holds that the three *Kasulatan* are null and void for being sham transfers done by Elpidio in anticipation of the annulment of his marriage with Maryline. A notarized *Kasunduan* dated December 9, 2004 (Exh. “K”) between Elpidio and Campano was offered by Maryline to prove that Campano is receiving a monthly compensation as caretaker of the properties in the meantime that Elpidio and Maryline have disagreements as to the settlement of their conjugal properties. It was also stated in the *Kasunduan* that Campano agreed not to adjudicate the properties to himself considering that the intended beneficiaries are the children of Elpidio and Maryline. Campano did not even refute his signature therein. Regardless of the date when this *Kasunduan* was executed, whether before or after the filing of the annulment case, as assailed by Campano, the *Kasunduan* established the nature of Campano’s possession of the properties. This shows that the three *Kasulatan* were not intended to transfer the properties in favor of Campano.

In addition, these agreements to transfer the properties in favor of Campano were without any consideration. The three *Kasulatan* stated no consideration at all. When a contract of conveyance lacks consideration, it is null and void *ab initio*.<sup>33</sup>

Campano acknowledged that his right over the properties emanates from the three *Kasulatan*. In the Certifications issued by the barangay chairman of Amaya I, Tanza, Cavite and the Municipal Mayor of Tanza, Cavite, it is stated that Campano started his occupation and possession of the properties on December 4, 2004, which coincides with the date of the first *Kasulatan*. Even in his formal offer of evidence, Campano based his rightful possession over the properties on the basis of the *Kasulatan*.

Considering, however, that the three *Kasulatan*, are null and void, these did not transfer any right in favor of Campano over the properties. These documents are without force and effect from the very beginning. It gave no right to Campano to possess the properties.

The CA erred when it ruled that Elpidio cannot unilaterally rescind these instruments; hence, the revocation was without any legal consequence or effect. Being null and void, there is even no need for Elpidio to execute the *Pagbawi* revoking and withdrawing the assignment of the properties in favor of Campano. There is no revocation to speak of since the three *Kasulatan* are null and void.

<sup>32</sup> *Heirs of Aguilar-Reyes v. Spouses Mijares*, 457 Phil. 120 (2003); *Heirs of Ayuste v. Court of Appeals*, 372 Phil. 370 (1999); *Sps. Vera Cruz v. Calderon*, 478 Phil. 691 (2004).

<sup>33</sup> *Heirs of Spouses Intac v. Court of Appeals*, 697 Phil. 373, 385-386 (2012).



Campano asserts that he is a lessee of the properties from PNR. A perusal of the lease contract shows that the subject of the lease pertains to a residential lot, and not the properties. Moreover, records show that Campano applied for lease of the PNR property in 2006 when, supposedly, he should have been the owner of the properties in December 4, 2004. The application to lease negates his ownership of the properties pursuant to the *Kasunduan*.

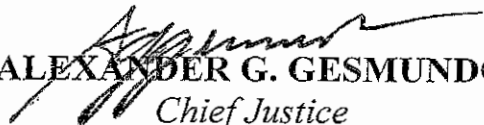
Maryline has a better right to possess the properties. The Court gives due regard to the interest of the family and validates the rights of Maryline and her children over the properties. Maryline is now enforcing her right over these properties pursuant to the Compromise Agreement between her and Elpidio as incorporated in the judgment of the annulment court wherein they amicably settled their property relations, giving the properties to Maryline. Campano and all persons claiming rights under him should vacate the properties. It is time for Maryline to enjoy the possession thereof.

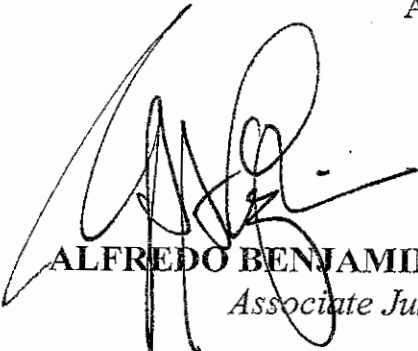
**WHEREFORE**, the instant petition is **GRANTED**. The Decision dated January 27, 2017 and the Resolution dated October 20, 2017 of the Court of Appeals in CA-G.R. CV No. 100994 are **SET ASIDE**. The Decision dated January 24, 2013 of the Regional Trial Court of Trece Martires City, Branch 23, granting the complaint for recovery of possession, is hereby **REINSTATED**.

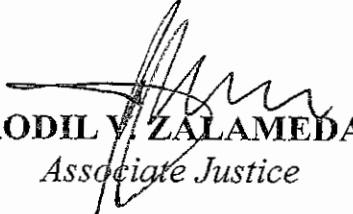
**SO ORDERED.**

  
ROSMARI D. CARANDANG  
Associate Justice

**WE CONCUR:**

  
**ALEXANDER G. GESMUNDO**  
*Chief Justice*


  
**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*

  
**RODIL V. ZALAMEDA**  
*Associate Justice*

  
**SAMUEL H. GAERLAN**  
*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.

  
**ALEXANDER G. GESMUNDO**  
*Chief Justice*