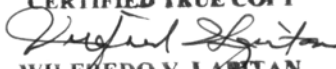




Republic of the Philippines
SUPREME COURT
 Baguio City

CERTIFIED TRUE COPY

WILFREDO V. LAPITAN
 Division Clerk of Court
 Third Division

MAY 10 2018

THIRD DIVISION

**DESIDERIO DALISAY
 INVESTMENTS, INC.,**

Petitioner,

G.R. No. 231053

Present:

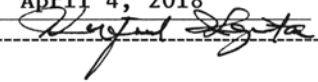
- versus -

VELASCO, JR., *J.*, Chairperson,
 BERSAMIN,
 LEONEN,
 MARTIRES, and
 GESMUNDO, *JJ*

SOCIAL SECURITY SYSTEM,
 Respondent.

Promulgated:

April 4, 2018

x----------x

DECISION

VELASCO, JR., *J.*:

The Case

This Petition for Review on Certiorari under Rule 45 of the Rules of Court seeks the reversal and setting aside of the August 12, 2016 Decision¹ and March 10, 2017 Resolution of the Court of Appeals (CA) in CA-G.R. CV No. 03233-MIN.

The Facts

Involved is a parcel of land covered by Transfer Certificate of Title (TCT) Nos. T-18203, T-18204, T-255986, and T-255985, with an aggregate area of 2,450 sq.m., including the building erected thereon, situated in Agdao, Davao City.

Sometime in the year 1976, respondent Social Security System (SSS) filed a case before the Social Security Commission (SSC) against the Dalisay Group of Companies (DGC) for the collection of unremitted SSS premium contributions of the latter's employees. The said cases are: (1) *SSS v. Desiderio Dalisay Investments, Inc.* (SSC Case No. 6414); (2) *SSS v.*

¹ Penned by Associate Justice Ronaldo B. Martin with the concurrence of Associate Justices Romulo V. Borja and Oscar V. Badelles.



Desidal Fruits Corporation (SSC Case No. 6415); and (3) *SSS v. Davao Stevedore Terminal Co., Inc.* (SSC Case No. 6416).²

On March 11, 1977, Desiderio Dalisay, then President of petitioner Desiderio Dalisay Investments, Inc. (DDII), sent a Letter to SSS offering the subject land and building to offset DGC's liabilities subject of the aforementioned cases at ₱3,500,000.³ The parties, however, failed to arrive at an agreement as to the appraised value thereof. Thus, no negotiation took place.

Later, or on December 15, 1981, Desiderio Dalisay sent another Letter seeking further negotiation with SSS by recommending that the appraisal be done by Asian Appraisal, Co. Inc.⁴ SSC agreed, but it later turned out that Asian Appraisal, Inc. did not respond to Dalisay's request. Thus, Atty. Honesto Cabarroguis, DGC's lawyer, suggested that the appraisal be done by Joson, Capili and Associates instead. The suggestion was later approved.⁵

On July 24, 1982, DDII's Special Board of Directors issued a Resolution stating that the properties covered by TCT Nos. T-18204 and T-8227⁶ together with all improvements thereon be sold to SSS in order to settle the unremitted premiums and penalty obligations of DDII, Davao Stevedore Terminal Co., and Desidal Fruits, Inc. In the same Board Resolution, Desiderio Dalisay, or in his absence, Veronica Dalisay-Tirol (Dalisay-Tirol), was authorized to sign in behalf of the corporation any and all papers pertinent to effect full and absolute transfer of said properties to the SSS.⁷

On May 21, 1982, the real estate appraisers Joson, Capili and Associates, whose services Dalisay engaged for the purpose of appraising the value of the properties being offered to SSS, sent a letter⁸ to him informing him that the total value of the lots is One Million Nine Hundred Fifty Four Thousand Seven Hundred Seventy-Seven & 78/100 (₱1,954,777.78), rounded to ₱1,955,000.⁹ This Appraisal Report was then indorsed to the SSC.¹⁰

On May 27, 1982, during a meeting (1982 Meeting) of the SSS' Committee on Buildings, Supplies and Equipment (Committee) attended by Atty. Cabarroguis, the latter, representing DGC, explained that the DGC is in financial distress and is in no way capable of settling its obligation in cash.¹¹ When asked what the DGC's offer is, he stated that he has "the

² *Rollo*, p. 9.

³ Records, p. 69.

⁴ Id. at 70.

⁵ Id. at 111.

⁶ Id. at 240.

⁷ Id. at 241.

⁸ Id. at 86.

⁹ Id. at 107-108.

¹⁰ Id. at 111.

¹¹ Id. at 129.

authority to offer [the properties] in the amount of 2 million pesos.”¹² He also assured them that that they will turn the properties over to SSS free of liens and encumbrances.¹³ The offer for *dación* was accepted at the appraised value of ₱2,000,000. As regards the implementation of the *dación*, Atty. Cabarroguis stated that “[t]he Legal Department of the SSS can prepare the Deed of Sale or whatever documents that have to be prepared. My clients are ready to vacate the premises and you can have it occupied anytime.”¹⁴ During the same Meeting, Atty. Cabarroguis likewise relayed to SSS that they are requesting that the ₱2,000,000 amount be applied first to the unpaid premiums and the excess be used to settle part of the penalties due.¹⁵

On May 28, 1982, DDII’s total liabilities with SSS covering unpaid premium contributions, inclusive of penalties and salary/calamity loan amortizations, amounted to ₱4,421,321.62.¹⁶

On June 9, 1982, the SSC issued Resolution No. 849 – s. 82.¹⁷ In said Resolution, it accepted DDII’s proposed *dacion en pago* pegged at the appraised value of ₱2,000,000. Said Resolution reads:

On motion duly seconded,

RESOLVED, that the acceptance of the offer of the Dalisay Group of Companies to offset their outstanding liabilities with the SSS with their lot and building at Davao City valued at 2M, as recommended by the SSC Committee on Building, Supplies and Equipment, be, as it is hereby, approved and confirmed, subject to the terms and conditions contained in the Memorandum, dated June 8, 1982, of the Executive Officer of the said Committee.

RESOLVED FURTHER, That the following additional conditions be, as they are hereby, imposed:

1. That part of tge (sic) 2M is to be applied to its outstanding educational/salary loans obligations;
2. That the criminal cases against the Dalisay Group of companies shall not be withdrawn as the penalties are not being paid in full and it is up to them to make the necessary representations with the Fiscal’s Office.¹⁸

The SSC then informed DDII of its acceptance of the proposed *dacion en pago* in payment, including its specified terms and conditions, via a Letter dated June 17, 1982.¹⁹ Said Letter²⁰ reads:

¹² Id. at 130.

¹³ Id. at 132.

¹⁴ Id. at 147.

¹⁵ Id. at 133.

¹⁶ *Rollo*, p. 9.

¹⁷ Records, p. 287.

¹⁸ Id. at 287-288.

¹⁹ *Rollo*, p. 9.

²⁰ Records, p. 315.

We are pleased to inform you that pursuant to Resolution No. 849 dated June 9, 1982, the Social Security Commission approved and confirmed the acceptance of the offer of your client, the Dalisay Group of Companies, that they be allowed to offset their outstanding liabilities with the SSS with their property (lot and building), as described in the offer, at Davao City valued at P2 million, subject to the following terms and conditions:

1. The P2 million consideration in this transaction shall be applied first to the premium contribution in arrears which amounts to P1.5 million, more or less, and whatever amount in excess of the P2 million after premium contribution shall then be applied to the payment of penalties.
2. Part of the P2 million shall also be applied to its outstanding education/salary loan obligations.
3. The criminal cases against the Dalisay Group of Companies shall not be withdrawn as the penalties have not as yet been valid (sic) in full and it is up to them to make the necessary representations with the Fiscal's Office.

May we invite you, therefore, to sit down with us for the preparation of the documents preparatory to the final transfer of the titles of the properties to the SSS.

On July 8, 1982, Dalisay-Tirol, then Acting President and General Manager of Dalisay Investment, informed SSS that the company is preparing the subject property, especially the building, for its turnover on August 15, 1982.²¹ Said Letter reads:

We are pleased to advise you that by August 15, 1982, we will already transfer to the next building. Desidal Building will already be available for you to prepare for you own transfer. The delay is caused by the preparation we have to make for the transfer of our office equipment and records.

Kindly, send somebody on August 15th, so we can effect the proper turnover of the building to you.²²

Later, or on July 31, 1982, An Affidavit of Consent for the Sale of Real Property was executed by the surviving heirs of the late Regina L. Dalisay, stating that in order to settle the companies' obligations to SSS, they expressly agree to the sale thereof to the SSS for its partial settlement.²³

On September 18, 1989, Desiderio Dalisay passed away.

As of November 30, 1995, the company's total obligations allegedly amounted to P15,689,684.93.²⁴

²¹ *Rollo*, p. 10.

²² Records, p. 152.

²³ *Id.* at 153.

²⁴ *Id.* at 195.

Later, or on December 29, 1995, the Philippine National Bank (PNB) executed a Deed of Confirmatory Sale in favor of DDII for properties that it reacquired, including the property subject of the present dispute.

On March 20, 1998, Eddie A. Jara (Jara), Assistant Vice-President of the SSS – Davao I Branch, executed an Affidavit of Adverse Claim²⁵ over the properties subject of the instant case because of the companies' failure to turn over the certificates of title to SSS.

Then, on April 2, 1998, Jara sent a letter to Dalisay-Tirol, formally demanding the certificates of title over the properties subject of the *dación*.²⁶ In said letter, Jara stated that “[t]he mortgage with PNB has already been settled by Desiderio Dalisay Investments, Inc. last January 20, 1994, but the titles were not delivered to the SSS in violation of the express terms in the dation in payment that the Dalisay group should deliver the titles after the release of the mortgage with the PNB.”²⁷

In her reply dated May 5, 1998 to the April 2, 1998 Letter, Dalisay-Tirol, who was then the President of DDII, stated that the corporation could not at that time give due course to and act on the matter because of several issues that need to be resolved first, including two cases involving the subject properties, to wit: (1) the properties are being claimed by the estate of Desiderio F. Dalisay, Sr. and included in the inventory already filed by the executrix, where the corporation's stockholders are contesting said inclusion; and (2) the SSS' pending petition covering the properties where the accuracy and propriety of the amount of ₱15,605,079.25 contained therein has yet to be substantiated and verified.²⁸ She likewise pointed out that the “Board Resolution covers only two (2) parcels of land which were proposed and submitted for the purpose of a negotiated sale to settle unremitted premiums and penalties.”²⁹

On November 18, 1999, DDII, through its Managing Director Edith L. Dalisay-Valenzuela (Dalisay-Valenzuela), wrote a letter addressed to SSS President and Chief Executive Officer Carlos A. Arellano, requesting the reevaluation and reconsideration of their problem.³⁰ In said Letter, DDII requested the following:

- 1) Condonation of penalties and interest or accrual of rentals for off-setting against the penalties, interest and principal;
- 2) Payment of original liabilities for unpaid premiums of ₱4,421,321.62;
- 3) Return of the property to DDII; and

²⁵ Id. at 337.

²⁶ Id. at 188.

²⁷ Id.

²⁸ Id. at 189.

²⁹ Id. at 190.

³⁰ Id. at 341.

- 4) Withdrawal of claim against the Estate of Desiderio F. Dalisay, Sr.³¹

On January 18, 2000, DDII issued a Letter to SSS proposing the “offset of SSS obligations with back rentals on occupied land and building of the obligor.” It alleged that SSS is bound to pay back rentals totaling ₱34,217,988.19³² for its use of the subject property from July 1982 up to the present. It likewise demanded for the return of the said property.³³

Meanwhile, despite repeated written and verbal demands made by SSS for DDII to deliver the titles of the subject property, free from all liens and encumbrances, DDII still failed to comply.

On October 8, 2002, DDII filed a complaint for Quieting of Title, Recovery of Possession and Damages against SSS with the Regional Trial Court (RTC), Branch 14, in Davao City, docketed as Civil Case No. 29, 353-02.

In said complaint, DDII asserted that it is the owner of the subject property. It averred that when SSS filed the abovementioned cases, the late Desiderio Dalisay, during his lifetime and as president of the company, offered the property appraised at ₱3,500,000 to SSS for the offsetting of said amount against DGC’s total liability to SSS. SSS accepted such but only in the amount of ₱2,000,000 and subject to certain conditions. It also insists that while negotiations with SSS were still ongoing, it decided to vacate the subject property in favor of SSS to show goodwill on its part. Unfortunately, the negotiations were not fruitful as they failed to agree on the terms and conditions set forth by SSS. Furthermore, DDII insists that Atty. Cabarroguis’ alleged acceptance of the proposals of SSS was not covered by any Board Resolution or Affidavit of Consent by the corporate and individual owners of the properties. Thus, according to DDII, there was no meeting of the minds between the parties. Consequently, there was no dation in payment to speak of, contrary to the claim of SSS. With these, DDII asserted that SSS owes it ₱43,208,270.99 as back rentals for its use of the property from 1982 onwards. It also prayed for attorney’s fees and costs of litigation.³⁴

In its Answer, SSS argued that the offer for *dacion* was categorically accepted by SSS, thereby perfecting such.³⁵

RTC Judgment

On July 22, 2010, the RTC resolved the case in favor of DDII, holding that there was no perfected dation in payment between the parties.

³¹ Id. at 341-342.

³² Id. at 344.

³³ *Rollo*, p. 10.

³⁴ Id. at 10-11.

³⁵ Id. at 11.

Consequently, SSS has no legal personality to own, possess, and occupy the property. The dispositive portion thereof reads:

WHEREFORE, judgment is hereby rendered as follows:

- a) Declaring [DDII] as the true and absolute owner of the properties covered by TCT Nos. T-18203, T-18204, T-255986 and T-255985, free from all liens and encumbrances, and that [SSS] has no right or interest over the same whatsoever;
- b) Ordering the Registrar, Registry of Deeds, Davao City, to cancel the adverse claims caused by [SSS] to be annotated on the foregoing [TCTs];
- c) Ordering [SSS] to pay [DDII] the reasonable amount of P50,000.00 a month for the use and continued occupation by [SSS] of the subject properties reckoned from the date of [DDII]'s demand to vacate on June 6, 2002 until [SSS] vacates the subject properties;
- d) Ordering [SSS] to turn over the possession and occupation of the properties to [DDII] in peace, there being no perfected dation in payment or *dacion en pago*;
- e) Ordering [SSS] to reimburse [DDII] the sum of P100,000.00 as attorney's fees; and
- f) To pay the cost.

SO ORDERED.³⁶

Ruling in favor of DDII, the RTC found that the June 8, 1982 Memorandum is not an acceptance of DDII's offer for the reason that it contained terms and conditions—a qualified acceptance which amounts to a counter-offer.³⁷ The RTC further noted that there is no iota of proof that said counter-offer was accepted by DDII.³⁸

As to the contention of SSS that the turnover of the properties in its favor shows that there was, indeed, a perfected dation in payment, the RTC ruled that said transfer of possession was not tantamount to delivery as an element of a contract of sale which transmits ownership of the thing from the vendor to the vendee. The RTC likewise noted that the June 8, 1982 Memorandum included a provision on automatic cancellation of its supposed acceptance of Dalisay's offer if, for any reason, the offsetting cannot be implemented. Correlating this with SSS' non-receipt of the certificates of title to the property, the RTC ruled that SSS' supposed acceptance was thereby automatically cancelled effective June 8, 1982—the date of the Memorandum containing the provision on automatic cancellation. This being the case, the trial court held, SSS' occupation of the property on July 24, 1982, a month after its acceptance was automatically cancelled, has no leg to stand on.³⁹ It was, therefore, only by mere tolerance which tolerance

³⁶ Id. at 84-85.

³⁷ Id. at 82.

³⁸ Id. at 83.

³⁹ Id.

ended when DDII made a demand for SSS to vacate the premises on June 6, 2002.⁴⁰

Its motion for reconsideration having been denied by the RTC in its September 20, 2010 Order,⁴¹ SSS appealed the case to the CA.

CA Ruling

Finding merit in the appeal, the CA reversed the RTC's ruling, disposing of the appeal in this wise:

WHEREFORE, the appealed Decision of the [RTC], Branch 14, Davao City, in Civil Case No. 29,353-02 is **REVERSED** and **SET ASIDE** insofar as it granted the complaint for quieting of title, recovery of possession and damages in favor of [DDII], and the said complaint is hereby **DISMISSED** for lack of merit. No pronouncement as to costs.

SO ORDERED.⁴²

According to the CA, the pivotal issue in the appeal is whether there was a perfected dation in payment, in which it ruled in the affirmative.

The CA held that the records establish that DGC has an outstanding obligation in favor of SSS that it proposed to pay the amount via *dacion en pago*, said offer was categorically accepted by SSS, and the agreement was consummated by DDII's delivery of the property to SSS.⁴³

As to DDII's argument that the acceptance by SSS included certain conditions, this, according to the appellate court, is inconsequential because its acceptance was unequivocal and absolute. In this respect, it held that dation in payment being in the nature of a contract of sale, the principle that a deed of sale is considered absolute where there is neither a stipulation in the deed that title to the property sold is reserved in the seller until full payment thereof, nor one giving the vendor the right to unilaterally resolve the contract the moment the buyer fails to pay within a fixed period, applies to the instant dispute. The CA, thus, concluded that applying said principle, the contract of sale or *dacion* between the parties is absolute, not conditional. To be sure, the CA said, there is no reservation of ownership of the subject property or a stipulation providing for unilateral rescission by either party. In fact, according to the CA, the sale was consummated upon the delivery of the subject property to SSS.⁴⁴

Anent the stipulations in the June 17, 1982 letter of the SSS according to the CA, the conditions were not of a nature that would affect the efficacy of the contract of sale. It, the CA said, merely provided the manner by

⁴⁰ Id. at 84.

⁴¹ Id. at 100.

⁴² Id. at 19.

⁴³ Id. at 14.

⁴⁴ Id. at 15.

which the full consideration is to be applied to DDII's liability and the implication of the payment vis-à-vis the pending criminal cases filed against DDII.⁴⁵

The CA, thus, ruled that all the requisites for a valid dation are present. The sale and transfer of the subject property in favor of SSS are valid and binding against DDII.

The CA went on to state that even assuming that the dation is defective, said defect is immaterial due to DDII's inaction which lasted for 20 years.⁴⁶ Applying the principle of laches, DDII's failure to assert its rights over the property against SSS for 20 years since its consummation bars it from recovering the subject property.⁴⁷

With respect to the award of attorney's fees, the CA held that such is improper,⁴⁸ there being no factual, legal, or equitable justification for the award of attorney's fees in favor of DDII. As regards the award of litigation expenses, the CA likewise deleted such for lack of factual or legal justification therefor.⁴⁹

Its Motion for Reconsideration having been denied by the CA in its March 10, 2017 Resolution,⁵⁰ DDII now comes before this Court for relief.

The Issues

- I. Whether or not there was a perfected "*Dacion en Pago*"
- II. Whether or not the fact that the Transfer Certificates of Title over the subject properties remained in the name of the petitioner is a strong indicium that the parties remained in the preparatory stage of contract-making
- III. Whether or not the prescriptive period to file the action had already prescribed
- IV. Whether or not petitioner slept on its rights that would warrant the imposition of laches.

The pivotal issue in the instant case is whether or not there was a perfected *dacion en pago*; and if answered in the affirmative, whether or not SSS validly acquired title or interest over the subject properties. This is so since if there was a perfected *dación* and if title or interest over the property was transferred to SSS, then an action for quieting of title filed by DDII would not prosper since SSS has a legitimate interest and claim over the properties subject of the case.

⁴⁵ Id. at 16.

⁴⁶ Id. at 17.

⁴⁷ Id. at 17-18.

⁴⁸ Id. at 18.

⁴⁹ Id. at 19.

⁵⁰ Id. at 21.

In the present petition, DDII argues that its offer to SSS contained in the December 15, 1981 letter was never categorically accepted by the latter.⁵¹ For DDII, the seemingly unambiguous language of the SSS' Memorandum is, in truth, a rejection of its offer, it being a qualified acceptance thereof. It maintains that for there to be an acceptance of the offer, it should be identical in all respects and must not contain any modification or variation from the terms of the offer.⁵²

Furthermore, petitioner claims, no document or instrument proving that it accepted SSS' counter-offer exists, as it, in fact, remains unaddressed.⁵³

Moreover, DDII points out that in SSS' Brief, it admitted that it indeed made a counter-offer to DDII, although it insists that DDII accepted said counter-offer.⁵⁴ In this respect, DDII maintains that contrary to SSS' position that it impliedly accepted the counter-offer by turning over to SSS the possession and occupation of the property, said turnover was done not because it is accepting the counter-offer but to show goodwill in the negotiations.⁵⁵

To further bolster its claim, DDII argues that the fact that the TCTs over the property remain in the name of the original owner clearly indicates that no dation in payment ever occurred.⁵⁶

As to the CA's ruling that DDII's claim is barred by laches, it posits that the cause of action did not arise when the possession of the property was transferred to SSS.⁵⁷ According to it, the transfer being a show of goodwill, there was, at that time, no threat against its title over the property that would prompt DDII to seek redress from the courts and commence the running of the prescriptive period. DDII maintains that the reason why it took a long time before it sought the removal of a cloud in its title is because it was under the impression that no offsetting took place and that SSS was merely in physical possession thereof.⁵⁸

In our January 31, 2018 Resolution, We required SSS to file its Comment on the petition within a non-extendible period of 10 days. But as of this date, the SSS has yet to file said Comment. In view of the fact that the previous pleadings of the SSS sufficiently allow Us to decide the instant dispute, We resolve to dispense with the SSS' Comment and decide the case based on the records.

⁵¹ Id. at 48.

⁵² Id. at 49.

⁵³ Id. at 50.

⁵⁴ Id. at 51.

⁵⁵ Id. at 54.

⁵⁶ Id. at 52.

⁵⁷ Id. at 53.

⁵⁸ Id. at 54.



Our Ruling

We resolve to deny the petition.

Article 476 of the Civil Code provides:

Art. 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

For an action to quiet title to prosper, two indispensable requisites must concur, namely: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.⁵⁹

Here, the presence or absence of these two requisites is hinged on the question of whether or not the proposed *dación en pago* was indeed perfected, thereby vesting unto SSS a legitimate title and interest over the properties in question. In other words, if it can be proved that the proposed *dación* was perfected, or even consummated, then SSS' claim which allegedly casts a cloud on DDII's title is valid and operative, and consequently, the action for quieting of title filed by DDII will not prosper.

Dación en pago

Among other modes, an obligation is extinguished by payment or performance.⁶⁰ There is payment when there is delivery of money or performance of an obligation.⁶¹ Corollary thereto, Article 1245 of the Civil Code provides for a special mode of payment called dation in payment (*dación en pago*).

In *dación en pago*, property is alienated to the creditor in satisfaction of a debt in money.⁶² The debtor delivers and transmits to the creditor the former's ownership over a thing as an accepted equivalent of the payment or performance of an outstanding debt.⁶³ In such cases, Article 1245 provides that the law on sales shall apply, since the undertaking really partakes—in one sense—of the nature of sale; that is, the creditor is really buying the

⁵⁹ *Mananquil v. Moico*, G.R. No. 180076, November 21, 2012, 686 SCRA 123,129-130.

⁶⁰ CIVIL CODE, Art. 1231 (1).

⁶¹ *Id.*, Art. 1232.

⁶² *Id.*, Art. 1245. Dation in payment, whereby property is alienated to the creditor in satisfaction of a debt in money, shall be governed by the law of sales.

⁶³ *Tan Shuy v. Maulawin*, G.R. No. 190375, February 8, 2012, 665 SCRA 604, 614.

thing or property of the debtor, the payment for which is to be charged against the debtor's obligation.⁶⁴

As a mode of payment, *dación en pago* extinguishes the obligation to the extent of the value of the thing delivered, either as agreed upon by the parties or as may be proved, unless the parties by agreement—express or implied, or by their silence—consider the thing as equivalent to the obligation, in which case the obligation is totally extinguished.⁶⁵ It requires delivery and transmission of ownership of a thing owned by the debtor to the creditor as an accepted equivalent of the performance of the obligation. There is no dation in payment when there is no transfer of ownership in the creditor's favor, as when the possession of the thing is merely given to the creditor by way of security.⁶⁶

In the case at hand, in order to determine whether or not there was indeed a perfected, or even consummated, dation in payment, it is necessary to review and assess the evidence and events that transpired and see whether these correspond to the three stages of a contract of sale. This is so since, as previously mentioned, *dación en pago* agreements are governed, among others, by the law on sales.

Stages of a contract of sale

Briefly, the stages of a contract of sale are: (1) *negotiation*, covering the period from the time the prospective contracting parties indicate interest in the contract to the time the contract is perfected; (2) *perfection*, which takes place upon the concurrence of the essential elements of the sale, which is the meeting of the minds of the parties as to the object of the contract and upon the price; and (3) *consummation*, which begins when the parties perform their respective undertakings under the contract of sale, culminating in the extinguishment thereof.⁶⁷ Each shall hereinafter be discussed *in seriatim*.

First Stage: Negotiation Offer validly reduced

To recall, the negotiation stage covers the period from the time the prospective contracting parties indicate interest in the contract to the time the contract is perfected. This then includes the making of an offer by one party to another and ends when both parties agree on the object and the price.

In the instant case, the late Desiderio Dalisay, on March 11, 1977, offered to SSS that they partially settle their obligations to the latter via *dación*. Dalisay offered several properties for ₱3,500,000 in favor of SSS to

⁶⁴ *Id.*

⁶⁵ *Id.* at 614-615.

⁶⁶ *Fort Bonifacio Development Corporation v. Yllas Lending Corporation*, G.R. No. 158997, October 6, 2008, 567 SCRA 454, 465.

⁶⁷ *Serrano v. Caguilat*, G.R. No. 139175, February 28, 2007, 517 SCRA 57, 63, citing *San Miguel Properties Philippines, Inc. v. Spouses Huang*, G.R. No. 137290, July 31, 2000, 336 SCRA 737.

partially extinguish petitioner's obligation which amounted to ₱4,421,321.62.⁶⁸

Then, years later or on May 27, 1982, the SSS' Committee met with the corporation, represented by Atty. Cabarroguis. During said meeting, Atty. Cabarroguis explained that he has "the authority to offer [the properties] in the amount of 2 million pesos."⁶⁹ He also gave them an assurance that that they will turn the properties over to SSS free of liens and encumbrances,⁷⁰ and that his clients are ready to vacate the premises and you can have it occupied anytime.⁷¹

In this respect, petitioner argues that Atty. Cabarroguis did not have the requisite authority to make said representations and thereby bind the corporation. DDII thus maintains that the offer to SSS remained at ₱3,500,000. We beg to disagree.

While petitioner is correct that there is no evidence of Atty. Cabarroguis' authority to represent the company in said meeting, this however is outweighed by the fact that no one questioned Atty. Cabarroguis' representations and authority after the conclusion of the negotiations; and that a few days after the said meeting, the company immediately arranged for the property's turnover through Dalisay-Tirol, Acting President and General Manager, and eventually delivered possession thereof to SSS.

What makes matters worse for petitioner is that it was well aware of what transpired during the meeting and the agreements reached. In fact, after the SSC issued Resolution No. 849 – s. 82 where it accepted DDII's proposed *dacion en pago* at ₱2,000,000,⁷² it sent a Letter dated June 17, 1982, communicating that:

We are pleased to inform you that pursuant to Resolution No. 849 dated June 9, 1982, the Social Security Commission approved and confirmed the acceptance of the offer of your client, the Dalisay Group of Companies, that they be allowed to offset their outstanding liabilities with the SSS with their property (lot and building), as described in the offer, at Davao City valued at P2 million, subject to the following terms and conditions:

1. The P2 million consideration in this transaction shall be applied first to the premium contribution in arrears which amounts to P1.5 million, more or less, and whatever amount in excess of the P2 million after premium contribution shall then be applied to the payment of penalties.
2. Part of the P2 million shall also be applied to its outstanding education/salary loan obligations.

⁶⁸ *Rollo*, p. 9.

⁶⁹ Records, p. 130.

⁷⁰ *Id.* at 132.

⁷¹ *Id.* at 147.

⁷² *Rollo*, p. 9.

3. The criminal cases against the Dalisay Group of Companies shall not be withdrawn as the penalties have not as yet been valid (sic) in full and it is up to them to make the necessary representations with the Fiscal's Office.

May we invite you, therefore, to sit down with us for the preparation of the documents preparatory to the final transfer of the titles of the properties to the SSS.⁷³

We emphasize that it is only now, in this action for quieting of title filed decades after the conclusion of the 1982 Meeting, that DDII questioned Atty. Cabarroguis' authority to represent the corporation. If it were true that Atty. Cabarroguis did not possess the requisite authority to represent the company in said Meeting, then it could have opposed such, contested his presence thereat, or even deny that the corporation is reducing its offer to ₱2,000,000. Unfortunately for petitioner, despite knowledge thereof, there is no evidence manifesting any opposition thereto.

This acquiescence to Atty. Cabarroguis' representations and authority to do so is strengthened by the fact that a few days after the conclusion of the meeting, the company's Vice-President at that time, Dalisay-Tirol, sent a Letter dated July 8, 1982, informing the SSS that they will be vacating the premises offered and will turn over the possession thereof to SSS, consistent with what was agreed upon during said meeting. Thus:

We are pleased to advise you that by August 15, 1982, we will already transfer to the next building. Desidal Building will already be available for you to prepare for your own transfer. The delay is caused by the preparation we have to make for the transfer of our office equipment and records.


Kindly, send somebody on August 15th, so we can effect the proper turnover of the building to you.⁷⁴

Without an iota of evidence of any opposition to the offered ₱2,000,000 price coming from the company when it could have communicated such to the SSS after the conclusion of the 1982 Meeting, plus the fact that its Vice-President even informed SSS that they will be turning over the property to the latter, We are sufficiently convinced that, contrary to petitioner's claim, Atty. Cabarroguis acted within the scope of the authority given him, which includes offering the properties at ₱2,000,000.

It may be argued that the absence of the written document embodying Atty. Cabarroguis' authority prevents the courts from unearthing what indeed the extent of said authority is. Nevertheless, We are of the view that the aforementioned events that transpired thereafter and the absence of opposition coming from the company are sufficient proof that they tacitly

⁷³ Records, p. 315.

⁷⁴ Id. at 152.



ratified Atty. Cabarroguis' acts during the meeting, assuming he went beyond his authority in so doing. Thus, Article 1910 of the Civil Code provides:

Art. 1910. The principal must comply with all the obligations which the agent may have contracted within the scope of his authority.

As for any obligation wherein the agent has exceeded his power, the principal is not bound except when he ratifies it expressly or tacitly. (emphasis ours)

These, plus the absence of any allegation or proof that the SSS relied upon Atty. Cabarroguis' actions in bad faith, convince Us that the corporation bound itself to said representations and agreements reached during the meeting via implied ratification.⁷⁵

Accordingly, We conclude that DDII's offer was validly reduced from ₱3,500,000 to ₱2,000,000.

We shall now discuss whether SSS' acceptance of the new offer perfects the agreement on dation.

**Second Stage: Perfection
Acceptance absolute and unqualified**

As regards the question whether the parties were able to perfect the agreement on *dación en pago*, the RTC ruled that they did not. According to the trial court, SSS' "acceptance" was qualified which is tantamount to a counter-offer, and not an absolute acceptance which perfects the contract. Thus, said the RTC, there being no evidence to show that petitioner accepted SSS' counter-offer, there was no dation to speak of.

The CA was of a different view. According to the CA, SSC Resolution No. 849 – s. 82 constitutes an absolute and unequivocal acceptance which perfected the offered *dación*. Thus, when possession of the subject property was delivered to SSS, this signified a transfer of ownership thereon, consistent with the supposedly perfected agreement.

We agree with the CA that there was perfected dation in payment.

Article 1319 of the New Civil Code reads:

Art. 1319. Consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract. The offer must be certain and the acceptance absolute. A qualified acceptance constitutes a counter-offer.

⁷⁵ See *Country Bankers Insurance Corporation v. Keppel Cebu Shipyard*, G.R. No. 166044, June 18, 2012, 673 SCRA 427, 448.



Acceptance made by letter or telegram does not bind the offeror except from the time it came to his knowledge. The contract, in such a case, is presumed to have been entered into in the place where the offer was made.

Relevant thereto are the following principles, as summarized by the Court in *Traders Royal Bank v. Cuison Lumber Co., Inc.*,⁷⁶ thus:

Under the law, a contract is perfected by mere consent, that is, from the moment that there is a meeting of the offer and the acceptance upon the thing and the cause that constitutes the contract. The law requires that the offer must be certain and *the acceptance absolute and unqualified*. An acceptance of an offer may be express and implied; a qualified offer (sic) constitutes a counter-offer. Case law holds that an offer, to be considered certain, must be definite, while *an acceptance is considered absolute and unqualified when it is identical in all respects with that of the offer so as to produce consent or a meeting of the minds*. We have also previously held that the ascertainment of whether there is a meeting of minds on the offer and acceptance depends on the circumstances surrounding the case.

The offer must be certain and definite with respect to the cause or consideration and object of the proposed contract, while *the acceptance of this offer - express or implied - must be unmistakable, unqualified, and identical in all respects to the offer.* x x x (Italics supplied)

Also, in *Manila Metal Container Corporation v. Philippine National Bank*,⁷⁷ the Court ruled:

A qualified acceptance or one that involves a new proposal constitutes a counter-offer and a rejection of the original offer. A counter-offer is considered in law, a rejection of the original offer and an attempt to end the negotiation between the parties on a different basis. Consequently, *when something is desired which is not exactly what is proposed in the offer, such acceptance is not sufficient to guarantee consent because any modification or variation from the terms of the offer annuls the offer*. The acceptance must be identical in all respects with that of the offer so as to produce consent or meeting of the minds. (Italics supplied)

Within the purview of the law on sales, a contract of sale is perfected by mere consent, upon a meeting of the minds on the offer and the acceptance thereof based on subject matter, price and terms of payment.⁷⁸ It is perfected at the moment there is a meeting of the minds upon the thing which is the object of the contract and upon the price.⁷⁹

Applying said principles to the case at bar convinces us that SSS' acceptance of the offer at ₱2,000,000 resulted in a perfected dation. As discussed earlier, the offer was validly reduced from ₱3,500,000 to

⁷⁶ G.R. No. 174286, June 5, 2009, 588 SCRA 690, 701, 703.

⁷⁷ G.R. No. 166862, December 20, 2006, 511 SCRA 444, 465-466.

⁷⁸ See *Ainza v. Padua*, G.R. No. 165420, June 30, 2005, 462 SCRA 614, 618.

⁷⁹ *Co v. Court of Appeals*, G.R. No. 123908, February 9, 1998, 286 SCRA 76, cited in *Yason v. Arciaga*, G.R. No. 145017, January 28, 2005, 449 SCRA 458, 465.

₱2,000,000. Consequently, SSS' agreement to the ₱2,000,000 offer was not a counter-offer as petitioner would have it, but an acceptance of the new reduced offer communicated by the company's representative, Atty. Cabarroguis, which acceptance perfected the proposed dation in payment. DDII has the onus of proving that the ₱2,000,000 offer made to SSS was invalid which would result in SSS' acceptance at said amount to be different from the price offered. Petitioner, however, failed to discharge said burden.

As regards petitioner's contention that the following conditions set forth in the SSS' Letter dated June 17, 1982⁸⁰ make its acceptance a qualified one, We find otherwise. To recall, said conditions are as follows:

We are pleased to inform you that pursuant to Resolution No. 849 dated June 9, 1982, the Social Security Commission approved and confirmed the acceptance of the offer of your client, the Dalisay Group of Companies, that they be allowed to offset their outstanding liabilities with the SSS with their property (lot and building), as described in the offer, at Davao City valued at P2 million, subject to the following terms and conditions:

1. The P2 million consideration in this transaction shall be applied first to the premium contribution in arrears which amounts to P1.5 million, more or less, and whatever amount in excess of the P2 million after premium contribution shall then be applied to the payment of penalties.
2. Part of the P2 million shall also be applied to its outstanding education/salary loan obligations.
3. The criminal cases against the Dalisay Group of Companies shall not be withdrawn as the penalties have not as yet been valid (sic) in full and it is up to them to make the necessary representations with the Fiscal's Office.

May we invite you, therefore, to sit down with us for the preparation of the documents preparatory to the final transfer of the titles of the properties to the SSS.⁸¹


A reading of the transcript of the 1982 Meeting reveals that the procedure in applying the proceeds of the *dación en pago* actually came from the company, through Atty. Cabarroguis, and not from SSS. Thus:

Atty. Cabarroguis: We only pray that in order that the penalties will not continue to run, on the unpaid remittance premiums, we only request that the amount of 2 million be applied first to the premiums, unremitted premiums, the excess would be part of the penalty so that what will remain will be the penalties themselves.⁸²

⁸⁰ *Rollo*, p. 9.

⁸¹ Records, p. 315.

⁸² *Id.* at 133.



This to Us clearly shows that the SSS simply agreed to said proposal when it included such in its Resolution. It is not a new condition imposed by the SSS as petitioner argues.

Having settled that the parties were in agreement as to the price and that the acceptance by SSS was, in fact, unqualified, We are convinced that the parties indeed have a perfected contract. We shall now determine whether said contract was consummated, thereby solidifying SSS' title, interest, and claim over the properties.

**Third Stage: Consummation
Transfer of possession
to SSS tantamount to
“delivery”**

Agreeing with SSS, the CA held that the agreement on *dación en pago* was consummated by DDII's delivery of the property to SSS.⁸³ We agree.

The third stage of a contract of sale is consummation which begins when the parties perform their respective undertakings under the contract of sale, culminating in the extinguishment thereof.⁸⁴

While a contract of sale is perfected by mere consent, ownership of the thing sold is acquired only upon its delivery to the buyer. Upon the perfection of the sale, the seller assumes the obligation to transfer ownership and to deliver the thing sold, but the real right of ownership is transferred only “by tradition” or delivery thereof to the buyer.⁸⁵

In this regard, reference must be made to Article 1496 of the Civil Code, which reads:

ARTICLE 1496. The ownership of the thing sold is acquired by the vendee from the moment it is delivered to him in any of the ways specified in Articles 1497 to 1501, or in any other manner signifying an agreement that the possession is transferred from the vendor to the vendee.
(n)

Material to the case at bar is tradition by **real or actual delivery** contemplated Article 1497 of the same Code. Thus:

ARTICLE 1497. The thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee.
(1462a)

⁸³ *Rollo*, p. 14.

⁸⁴ *San Miguel Properties Philippines, Inc. v. Spouses Huang*, G.R. No. 137290, July 31, 2000, 336 SCRA 737.

⁸⁵ *Alcantara-Daus v. De Leon*, G.R. No. 149750, June 16, 2003, 404 SCRA 74, 75.

In *Cebu Winland Development Corporation v. Ong Siao Hua*, We explained that:

Under the Civil Code, ownership does not pass by mere stipulation but only by delivery. Manresa explains, “**the delivery of the thing . . . signifies that title has passed from the seller to the buyer.**” According to Tolentino, the purpose of delivery is not only for the enjoyment of the thing but also a mode of acquiring dominion and determines the transmission of ownership, the birth of the real right. The delivery under any of the forms provided by Articles 1497 to 1505 of the Civil Code **signifies that the transmission of ownership from vendor to vendee has taken place.**⁸⁶ (Citations omitted)

Here, petitioner DDII insists that its delivery of the property to SSS was only to show its goodwill in the negotiations. The records, however, reveal otherwise.

It is well to emphasize that **nowhere in their communications or during the discussions at the meeting is it stated that the company will turn over possession of the property to SSS to show its goodwill while the negotiations were pending.**

Too, consider the following turn of events:

1. During the 1982 Meeting, the following discussions took place:

Atty. Cabarroguis: Yes. Now it is the earnest desire of Mr. Dalisay somehow, to be able to compensate for the benefits of the employees, that's why he is offering this. And if this would be considered seriously by the System, Mrs. Tirol made arrangements with the Philippine National Bank that this property be released because x x x if a portion of the obligation will be paid to the PNB, then it will release this particular property, so we will be turning this over to you clear of any liens or encumbrances. Thank you very much.⁸⁷

x x x x

Atty. Cabarroguis: The Legal Department of the SSS can prepare the Deed of Sale or whatever documents that have to be prepared. My clients are ready to vacate the premises and you can have it occupied anytime.⁸⁸ x x x

2. Thereafter, or on July 8, 1982, DDII, through Dalisay-Tirol, informed SSS that the company is preparing the subject property, especially the building, for its turnover on August 15, 1982.⁸⁹ Guilty of reiteration, the said Letter reads, thusly:

We are pleased to advise you that by August 15, 1982, we will already transfer to the next building. Desidal Building will already be available

⁸⁶ G.R. No. 173215, May 21, 2009, 588 SCRA 120, 131-132.

⁸⁷ Records, p. 132.

⁸⁸ Id. at 147.

⁸⁹ *Rollo*, p. 10.

for you to prepare for your own transfer. The delay is caused by the preparation we have to make for the transfer of our office equipment and records.

Kindly, send somebody on August 15th, so we can effect the proper turnover of the building to you.⁹⁰

3. Then, on January 4, 1983, the corporation arranged for the release or replacement of the properties subject of the *dación* from its mortgage with the PNB. Thus:

DESIDERIO DALISAY INVESTMENTS, INC.
Desidal Building, Agdao, Davao City

January 4, 1983

Mr. Julius L. Campo
Asst. Vice-President & Manager
Philippine National Bank
Davao Branch, Davao City

RE: DESIDAL INVESTMENTS
COLLATERAL

Dear Mr. Campo:

This is to formally inform your good office that Desidal Investments, Inc. and the Estate of Regina L. Dalisay would like to request for substitution of collaterals or properties encumbered with your bank.

x x x x

This request for substitution of collaterals had been made primarily because Social Security System, Regional Office of Davao, is very much interested to purchase our Desidal office building. (emphasis ours)

x x x x

Truly yours,

(SGD)
DESIDERIO DALISAY
President
Desidal Investments, Inc.⁹¹

4. As regards the obligation to deliver to SSS the certificates of title over the properties, DDII failed to do so even after the PNB has already executed a Deed of Confirmatory Sale in favor of DDII for properties that it reacquired, including the property subject of the

⁹⁰ Records, p. 152.

⁹¹ Id. at 156.

present dispute. This prompted Jara to execute an Affidavit of Adverse Claim⁹² over the properties.

5. Jara then sent a letter to Dalisay-Tirol, formally demanding the certificates of title over the properties subject of the *dación*, stating that “[t]he mortgage with PNB has already been settled by Desiderio Dalisay Investments, Inc. last January 20, 1994, but the titles were not delivered to the SSS in violation of the express terms in the dation in payment that the Dalisay group should deliver the titles after the release of the mortgage with the PNB.”⁹³
6. In her reply, Dalisay-Tirol, now President of DDII, stated that the corporation could not at that time give due course and act on the matter because of several issues that need to be resolved first.

The aforementioned events that transpired convince Us that contrary to petitioner’s claim, the turnover of the properties to SSS was tantamount to delivery or “tradition” which effectively transferred the real right of ownership over the properties from DDII to SSS.⁹⁴ **Even after a review of the records of the case, this Court is unable to find any indication that when they turned over the properties to SSS, the company reserved its ownership over the property and only transferred the *jus possidendi* thereon to SSS.**

Too, if it indeed turned over the possession of the property to simply show goodwill in the negotiations, then there would be no need for it to give SSS possession of the subject property free from all liens and encumbrances.

Thus, contrary to petitioner’s arguments, We are of the view that the turnover was in fact tantamount to *tradition* and was not done simply to show goodwill on the part of the company. What was only left to be done was for the corporation to surrender the certificates of title over the properties, free from all liens and encumbrances as promised during the 1982 meeting, so as to facilitate its transfer in SSS’ name.

Indeed, as expounded by this Court in *Equatorial Realty Development, Inc. v. Mayfair Theater, Inc.*:⁹⁵

Delivery has been described as a composite act, a thing in which both parties must join and the minds of both parties concur. **It is an act by which one party parts with the title to and the possession of the property, and the other acquires the right to and the possession of the same.** In its natural sense, delivery means something in addition to the delivery of property or title; it means transfer of possession. **In the Law on Sales, delivery may be either actual or constructive, but both forms**

⁹² Id. at 337.

⁹³ Id. at 188.

⁹⁴ *Alcantara-Daus v. De Leon*, G.R. No. 149750. June 16, 2003, 404 SCRA 74, 79.

⁹⁵ G.R. No. 133879, November 21, 2001, 370 SCRA 56, 70-71. Cited in *Cebu Winland Development Corporation v. Ong Siao Hua*, G.R. No. 173215, May 21, 2009, 588 SCRA 120.

of delivery contemplate “the absolute giving up of the control and custody of the property on the part of the vendor, and the assumption of the same by the vendee.”

This being the case, We find that SSS has validly and in good faith acquired title to the property subject of the dispute, making the action to quiet title filed by DDII improper.

Additionally, it is well to emphasize that in order that an action for quieting of title may prosper, it is essential that the plaintiff must have legal or equitable title to, or interest in, the property which is the subject-matter of the action.⁹⁶ Legal title denotes registered ownership, while equitable title means beneficial ownership. In the absence of such legal or equitable title, or interest, there is no cloud to be prevented or removed.⁹⁷

Here, DDII having divested itself of any claim over the property in favor of SSS by means of sale via *dación en pago*, petitioner has lost its title over the property which would give it legal personality to file said action.

Thus, the CA did not err in dismissing the complaint for lack of merit.

A necessary consequence of this ruling is the recomputation of DDII’s obligations to SSS as a result of the application of the ₱2,000,000 amount agreed upon in the *dación*. Thus, SSS shall recompute said outstanding obligations by deducting from the total obligations as of June 17, 1982 the amount of ₱2,000,000, following the terms and conditions agreed upon. Said date refers to SSS communication of its acceptance of the offer, resulting in the perfection of the contract.⁹⁸

At this point, it is well to remind DDII that it cannot escape its liability from SSS by giving the latter possession over the property with the representation that it is doing so as partial settlement of its unremitted SSS premiums and penalties due only to take the property back decades thereafter, seek condonation of its obligations, and to make matters worse, claim payment of back rentals from SSS. While it is true that the value of the property has definitely significantly increased over the years compared to the ₱2,000,000 amount for which it was offered to SSS, still, such is not sufficient justification for DDII to turn its back on its obligations under the *dación en pago* agreement. In fact, the turn of events convinces Us that DDII’s actions are tainted with bad faith.

⁹⁶ *Mananquil v. Moico*, G.R. No. 180976, November 21, 2012, 686 SCRA 123, 124.

⁹⁷ *Id.*

⁹⁸ See *Insular Life Assurance Company, Ltd. v. Asset Builders Corporation*, G.R. No. 147410, February 5, 2004, 422 SCRA 148, 162. (Moreover, the Civil Code provides that no contract shall arise unless its acceptance is communicated to the offeror.)

If We were to grant the reliefs prayed for by DDII, an injustice will definitely be caused to SSS, which in good faith relied upon the company's representations. Too, We find it proper to remind DDII that it would not have lost ownership over the property if, in the first place, it diligently paid the SSS premiums due.

With these, We need not belabor the other assigned errors.

WHEREFORE, the instant petition is **DENIED**. The assailed August 12, 2016 Decision and March 10, 2017 Resolution of the Court of Appeals in CA-G.R. CV No. 03233-MIN are hereby **AFFIRMED**. The complaint for quieting of title, recovery of possession and damages, docketed as Civil Case No. 29,353-02, is **DISMISSED** for lack of merit.

Petitioner Desiderio Dalisay Investments, Inc. is hereby ordered to:


1. Execute the Deed of Sale over the properties in favor of respondent Social Security System, consistent with the terms and conditions of the *dación en pago* agreed upon by the parties as embodied in SSC Resolution No. 849 – s. 82 within ten (10) days from finality of this Decision; and
2. Surrender the Owner's Duplicate of Transfer Certificate of Title Nos. T-18203, T-18204, T-255986, and T-255985, as well as the Tax Declarations over said properties to respondent Social Security System within ten (10) days from finality of this Decision.

Should petitioner Desiderio Dalisay Investments, Inc. refuse to execute said Deed of Sale, the Clerk of Court shall execute such in favor of respondent Social Security System.

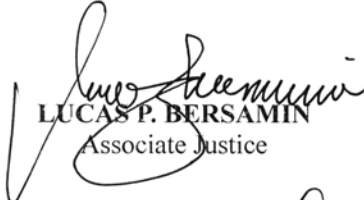
The Register of Deeds of Davao City is directed to cancel the subject titles and issue new ones in the name of respondent Social Security System.

Respondent Social Security System is ordered to re-compute petitioner's obligations accordingly, reckoned from June 17, 1982, the date when respondent communicated its acceptance of the offer.

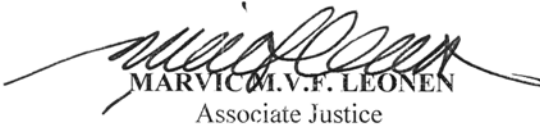
SO ORDERED.


PRESBITERO J. VELASCO, JR.
Associate Justice

WE CONCUR:



LUCAS P. BERSAMIN
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice




SAMUEL R. MARTIRES
Associate Justice



ALEXANDER G. GESMUNDO
Associate Justice

ATTESTATION

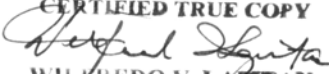
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.
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.

CERTIFIED TRUE COPY

WILFREDO V. LAITAN
 Division Clerk of Court
 Third Division



ANTONIO T. CARPIO
Acting Chief Justice

MAY 10 2018