



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

DAVIDSON GO,

G.R. No. 253355

Petitioner,

Present:

- versus -

CAGUIOA, J., *Chairperson,*
INTING,
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

SPOUSES HENRY AND
JANET KO,

Respondents.

Promulgated:
November 8, 2023

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DECISION

INTING, J.:

The Court resolves the Petition for Review on *Certiorari*¹ that petitioner Davidson Go (Go) filed in order to assail the Decision² dated August 14, 2019, and the Resolution³ dated June 17, 2020, of the Court of Appeals (CA) in CA-G.R. CV No. 111924.

The Antecedents

On May 21, 2014, Go instituted a Petition before Branch 77, Regional Trial Court (RTC), Quezon City for the following: the

¹ *Rollo*, pp. 3–54.

² *Id.* at 71–88. Penned by Associate Justice Zenaida T. Galapate-Laguilles and concurred in by Associate Justices Ricardo R. Rosario (now a Member of the Court) and Walter S. Ong.

³ *Id.* at 61–62.

consolidation of title over Lot No. 23-H-1, Subdivision Plan PSD-13-01845, *Brgy. Damayang Lagi*, New Manila, Quezon City, under his name; the cancellation of Transfer Certificate of Title (TCT) No. 59729;⁴ and the issuance of a new title in his favor. The case was docketed as Land Registration Case No. R-QZN-14-04722-LR (land registration case).⁵

On October 17, 2014, respondents Spouses Henry and Janet Ko (Janet) (collectively, Spouses Ko) filed an Urgent Omnibus Motion for the RTC to admit their Opposition to the Petition and to hold Go's presentation of evidence *ex-parte* in abeyance.⁶ The RTC granted the motion on November 21, 2014.⁷

Trial on the merits ensued after Go filed a Rejoinder on December 1, 2014.⁸

According to Go, he purchased the subject property in a tax delinquency auction sale conducted by the City Government of Quezon City (City Government) on April 7, 2011, with the Certificate of Sale duly annotated on the title of the lot in question. He alleged that he became the lawful and absolute owner of the subject property when Spouses Ko failed to validly redeem it within a year from the date of sale, as evidenced by the Final Bill of Sale⁹ issued by the City Government.¹⁰

During the trial, Go also presented Atty. Glynis Lynn Cabansag, formerly the Officer-In-Charge, Legal Division of the City Treasurer's Office of Quezon City (City Treasurer's Office), who testified that the City Treasurer's Office approved the Final Bill of Sale over the subject property in favor of Go because no redemption was made by the registered owner, or a representative, within one year from the date of the auction sale.¹¹

As for Spouses Ko, they countered that they are the owners of the subject property, covered by TCT No. 59729, on which their townhouse was erected. They averred that they bought the parcel of land from Lexus Development, Inc. (Lexus) by virtue of an undated Deed of Absolute Sale¹² and they have resided thereon from the year 1996 until the present. Moreover, Spouses Ko contended that: (i) they only learned about the

⁴ *Id.* at 173–174.

⁵ *Id.* at 72.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* at 73.

⁹ *Id.* at 178–179.

¹⁰ *Id.* at 73.

¹¹ *Id.* at 74.

¹² *Id.* at 184–186.

auction sale of the subject property due to tax delinquency on March 13, 2012; (ii) the City Treasurer's Office provided them with an Order of Payment Redemption-Auction on March 29, 2012, which indicated that Go was the winning bidder during the auction sale, with the total bid price of ₱348,335.92; and (iii) they validly redeemed the property when they settled the redemption price of ₱348,335.92 on even date, or within the one-year redemption period under Republic Act No. (RA) 7160,¹³ or the "Local Government Code of 1991."¹⁴

Ruling of the RTC

In the Decision¹⁵ dated December 12, 2017, the RTC granted Go's Petition and ordered the issuance of a new certificate of title over the subject property in his name after payment of all taxes and applicable fees.¹⁶

The RTC ruled that there was no valid redemption on the part of Spouses Ko, in the absence of any evidence that Lexus, the delinquent registered owner of the subject property, had authorized them to pay the amount stated in the Notice of Redemption. It explained that except for their bare allegations of possession, Spouses Ko failed to establish any vested right of ownership over the subject property considering that the Deed of Absolute Sale between Janet and Lexus was undated and unnotarized. Thus, the RTC concluded that the one-year redemption period expired without Lexus, or anyone acting for it, validly redeeming the property in question.¹⁷

Spouses Ko filed a motion for reconsideration, which the RTC denied in the Resolution¹⁸ dated August 1, 2018 for lack of merit. Consequently, they appealed before the CA.

Ruling of the CA

In the Decision¹⁹ dated August 14, 2019, the CA granted the appeal and reversed and set aside the RTC Decision and Resolution. It directed the City Treasurer's Office to receive the settlement of the redemption price of the subject property, to invalidate the Certificate of Sale it issued

¹³ Approved on October 10, 1991.

¹⁴ *Rollo*, pp. 73-74.

¹⁵ *Id.* at 122-128. Penned by Presiding Judge Ferdinand C. Baylon.

¹⁶ *Id.* at 128.

¹⁷ *Id.* at 126-127.

¹⁸ *Id.* at 129-130.

¹⁹ *Id.* at 71-88.

to Go, and to issue a certificate of redemption to Spouses Ko pursuant to Section 261²⁰ of RA 7160.²¹

The CA ruled as follows:

First, the Deed of Absolute Sale between Janet and Lexus is valid and binding despite the fact that it is undated and unnotarized as its authenticity and due execution was not disproven during the trial.²²

And *second*, aside from their ownership thereof, Spouses Ko's open, continuous, exclusive, and notorious possession and occupation of the subject property since 1996 vested them with legal interest over the lot in question, which is enough to make a valid redemption under RA 7160. Otherwise stated, they have a real, present, material, and substantial interest over the property that they personally and directly stand to be injured by the RTC Decision in the land registration case.²³

Go moved for reconsideration, but the CA denied the motion in the Resolution²⁴ dated June 17, 2020. Hence, the present Petition.

In the instant Petition, Go mainly argues that Spouses Ko's failure to submit proof of their ownership, legal interest or authority to redeem the subject property to the City Treasurer's Office within the redemption period amounts to a failure of redemption which justified the issuance of the Final Bill of Sale in his favor.²⁵

²⁰ Section 261 of RA 7160 provides:

SECTION 261. Redemption of Property Sold. — Within one (1) year from the date of sale, the owner of the delinquent real property or person having legal interest therein, or his representative, shall have the right to redeem the property upon payment to the local treasurer of the amount of the delinquent tax, including the interest due thereon, and the expenses of sale from the date of delinquency to the date of sale, plus interest of not more than two percent (2%) per month on the purchase price from the date of sale to the date of redemption. Such payment shall invalidate the certificate of sale issued to the purchaser and the owner of the delinquent real property or person having legal interest therein shall be entitled to a certificate of redemption which shall be issued by the local treasurer or his deputy.

From the date of sale until the expiration of the period of redemption, the delinquent real property shall remain in the possession of the owner or person having legal interest therein who shall be entitled to the income and other fruits thereof.

The local treasurer or his deputy, upon receipt from the purchaser of the certificate of sale, shall forthwith return to the latter the entire amount paid by him plus interest of not more than two percent (2%) per month. Thereafter, the property shall be free from the lien of such delinquent tax, interest due thereon and expenses of sale.

²¹ *Rollo*, p. 87.

²² *Id.* at 85.

²³ *Id.* at 86.

²⁴ *Id.* at 61–62.

²⁵ *Id.* at 41.

For their part, Spouses Ko, in their Comment,²⁶ counter that there is nothing in RA 7160 or in its implementing rules which requires the one paying for the delinquent registered owner, or Lexus in the case, to present any form of authority to pay the redemption price of the property sold in a public auction.²⁷ They point out that the requirement allegedly imposed by the City Treasurer's Office of submitting proof of ownership or legal interest for the purpose of redemption is merely a matter of practice that was never published or made known to the public.²⁸

Moreover, Spouses Ko assert that their payment of the redemption price was specifically credited to Lexus, as evidenced by Official Receipt No. 6566377 dated March 29, 2012 that the City Treasurer's Office issued in the latter's name.²⁹ They submit that the payment was duly and timely made within the one-year redemption period provided under the law to redeem the subject property.³⁰

In his Reply,³¹ Go admits that the law does not expressly require the presentation of proof of authority to pay the redemption price, but he opines that such authority by the City Treasurer's Office is implied in so far as it may be necessary to ensure that the law is complied with.³² He insists that the City Treasurer's Office should not have accepted the payment made by a certain Lynnor Tan (Lynnor) in behalf of Spouses Ko without any proof of ownership, interest or authority to redeem the subject property.³³

The Issue

The main issue for the Court's resolution is whether Spouses Ko validly redeemed the subject property even though they are not the registered owners thereof and they did not present any proof of ownership or legal interest over the lot in question before the City Treasurer's Office when the redemption price was paid.

²⁶ *Id.* at 201–217.

²⁷ *Id.* at 206.

²⁸ *Id.* at 208.

²⁹ *Id.* at 209.

³⁰ *Id.* at 211.

³¹ *Id.* at 235–244.

³² *Id.* at 236.

³³ *Id.* at 240.

The Court's Ruling

The Petition is without merit.

Section 261 of RA 7160 provides that *the owner of the delinquent real property or person with legal interest thereon, or his or her representative*, shall have the right to redeem the property sold at a public auction within one year from the date of sale upon payment of the total amount of the delinquent tax with the interest thereon, plus the expenses of sale and the interest on the purchase price from the date of sale up to the date of redemption.

Here, Spouses Ko has sufficiently established that: *first*, Janet purchased the subject property from Lexus for the amount of ₱3,256,875.00 per an undated Deed of Absolute Sale;³⁴ and *second*, they have openly, continuously, and exclusively possessed and occupied the property since 1996.³⁵

As the CA aptly ruled, the Deed of Absolute Sale in question is valid and binding between Janet and Lexus even though the document was never notarized. While it is true that Article 1358 of the Civil Code states that the sale of real property, or of an interest thereon, must be embodied in a public document, such requirement is *not* essential for the document's validity or enforceability,³⁶ but for its efficacy, the convenience of the parties, and to bind third persons to the conveyance.³⁷ In other words, although the sale of the subject property in the case was not made in a public document, the conveyance remains valid and produces legal effects between the parties, including the *transfer of real rights* over the property from Lexus, the registered owner, to Janet, the buyer.³⁸

Under the circumstances, it is clear that Spouses Ko had the right to redeem the subject property as the owners thereof notwithstanding the fact that the title had yet to be transferred under their own names. Thus, the only question now is whether Spouses Ko actually exercised their right of redemption within one year from the date of sale of the subject property.

³⁴ *Id.* at 184–186.

³⁵ *Id.* at 86.

³⁶ *Castillo v. Security Bank Corporation*, 740 Phil. 145, 153–154 (2014).

³⁷ *Cenido v. Spouses Apacionado*, 376 Phil. 801, 820–821 (1999).

³⁸ See *Castillo v. Security Bank Corporation*, *supra*.



To stress, it is undisputed that Spouses Ko, through Lynnor, paid the redemption price as computed by the City Treasurer's Office well within the one-year redemption period, as evidenced by Official Receipt No. 6566377 dated March 29, 2012.

Contrary to Go's insistence, this constitutes as a valid exercise of the right of redemption on the part of Spouses Ko despite their non-submission of any proof of ownership or legal interest on the subject property before the City Treasurer's Office. To reiterate, the payment of the redemption price in the case was actually credited to Lexus, not to Spouses Ko, as shown by the official receipt thereon. Stated differently, even the City Treasurer's Office acknowledged that the redemption price paid by Lynnor was meant specifically for the redemption of the subject property, which, based on its records, was still owned by Lexus, the delinquent registered owner thereof.

For these reasons, the Court finds that Spouses Ko had validly redeemed the subject property upon payment of the full redemption price of ₱348,355.92 within the one-year redemption period provided under Section 261 of RA 7160.

After all, it is well settled that "where the redemptioner has chosen to exercise the right of redemption, it is the policy of the law to aid rather than to defeat such right."³⁹ Moreover, as the Court emphasized in *City Mayor of Quezon City v. RCBC*,⁴⁰ "redemption should be looked upon with favor and where no injury will follow, a liberal construction will be given to our redemption laws, specifically on the exercise of the right to redeem."⁴¹

WHEREFORE, the Petition is **DENIED**. The Decision dated August 14, 2019 and the Resolution dated June 17, 2020 of the Court of Appeals in CA-G.R. CV No. 111924 are hereby **AFFIRMED**.

SO ORDERED.

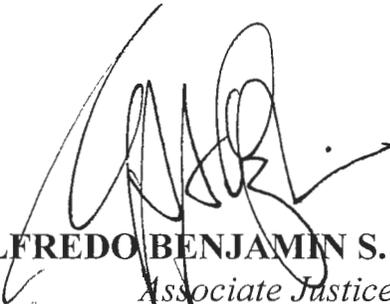

HENRI JEAN PAUL B. INTING
Associate Justice

³⁹ *Villarete v. Alta Vista Golf and Country Club, Inc.*, G.R. No. 255212, February 20, 2023. Emphasis omitted.

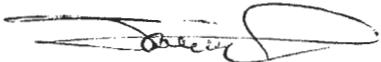
⁴⁰ 640 Phil. 517 (2010).

⁴¹ *Id.* at 529.

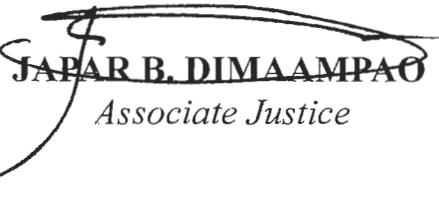
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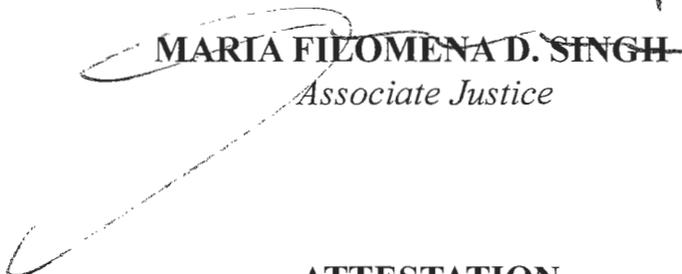
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



SAMUEL H. GAERLAN
Associate Justice



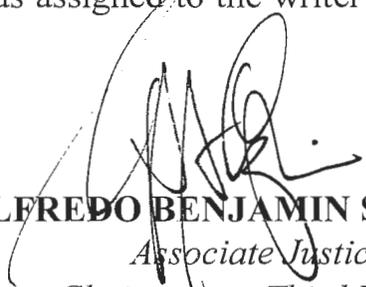
JAPAR B. DIMAAMPAO
Associate Justice



MARIA FILOMENA D. SINGH
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.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division

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.



ALEXANDER G. GESMUNDO
Chief Justice

