Supreme Court E-Library

or adjustments in their organization or operations that would insure profit to itself or protect the investment of its stockholders. As in the exercise of such management prerogative, the employer may merge or consolidate its business with another, or sell or dispose all or substantially all of its assets and properties which may bring about the dismissal or termination of its employees in the process.[30] This disposes of the allegation that there was termination due to redundancy; such could not be the case as all the employees were terminated as a result of the closure. Redundancy contemplates a situation where employees are dismissed because of duplicitous functions.

The foregoing renders unnecessary further discussion on the other issues raised by petitioners.

WHEREFORE, *both Petitions for certiorari* are *DISMISSED for lack of merit*.

IT IS SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and *Romero, JJ.*, concur.

THIRD DIVISION

[G.R. No. 76245. December 20, 1991]

AVELINO BANAAG, ROSABEL B. BANAAG and ROWENA B. BANAAG (the last two being represented by the former as their father), *petitioners, vs.* **MANUEL S. BARTOLOME, ESTANISLAO S. BARTOLOME, EXPEDITA S. BARTOLOME and PETER S. BARTOLOME (the last three being represented by their mother and/or guardian ad-litem CONSTANCIA SANTIAGO), and THE INTERMEDIATE APPELLATE COURT,** *respondents.*

---

[30] *Central Azucarera del Danao vs. Court of Appeals, supra.*

Supreme Court E-Library

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; MATTERS ADJUDGED IN A CASE SHALL NOT AFFECT THOSE WHO WERE NOT PARTIES THEREIN. —** Respondent Court correctly ruled that the validity of the deed of sale in question was not raised in Civil Case No. SP-642. Private respondents were neither parties in said case nor in privity with the parties therein. The decision therein, based on a compromise agreement, cannot bind them. The rule then that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, should be conclusive upon the parties and those in privity with them, cannot be invoked in this case. It may be true that one of the signatories to the compromise agreement in that case is Ildefonso Bartolome, natural father of private respondents. However, he signed as guardian of incompetent Adelaida Jaro. Besides, at the time the compromise agreement was signed and the decision approving the same was handed down, private respondents Manuel, Estanislao, Expedita and Peter, all surnamed Bartolome, were still minors.

2. **CIVIL LAW; PATERNITY; MODES OF ACKNOWLEDGMENT OF ILLEGITIMATE CHILDREN; COMPULSORY RECOGNITION; CONSTRUED. —** Book I of the New Civil Code provides two (2) modes of acknowledgment of illegitimate issues: (1) by voluntary recognition by the putative parent made in the record of birth, a will, a statement before a court of record or in an authentic writing under Article 278 of the Civil Code; and (2) by compulsory recognition under the circumstances mentioned in Article 283 of the same law, which includes continuous possession of the status of a child of the alleged father by the direct acts of the latter or his family. Recognition is compulsory when by court action, the child causes the putative parent to acknowledge his filiation. It is also called judicial recognition.

3. **ID.; ID.; AUTHENTIC WRITING; DEFINED. —** A writing is authentic, for purposes of Article 278 of the Civil Code, if it is the genuine or indubitable writing of the father (or mother), and includes a public instrument (one acknowledged before a notary public or other competent official with the formalities required by law) and, of course, a public or official document in accordance with Section 20, Rule 132 of the Rules of Court.

Supreme Court E-Library

4. REMEDIAL LAW; JURISDICTION OF SUPREME COURT; LIMITED TO REVIEW OF ASSIGNED ERRORS IN LAW; FACTUAL FINDINGS OF LOWER COURTS GENERALLY BINDING ON APPEAL; EXCEPTIONS. — The two (2) other related issues on voluntary recognition thru authentic writings and the continuous possession of status are purely factual. Respondent Court did not indeed make a thorough examination, as evidenced by its careful and meticulous appraisal and evaluation of the facts. The general rule is that the jurisdiction of the Supreme Court in cases brought before it from the Court of Appeals is limited to reviewing or revising the errors of law imputed to it, its findings of fact being conclusive; it is not the function of the Court to analyze or weigh such evidence all over again. It is only in exceptional circumstances where this Court may review findings of facts of the Court of Appeals: (1) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly absurd, mistaken or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the judgment is premised on a misapprehension of facts; (5) when the findings of fact are conflicting; and (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee.

APPEARANCES OF COUNSEL

Pio G. Aquino for petitioners.
Javier & Javier for respondents.

D E C I S I O N

DAVIDE, JR., *J.*:

In this petition for review on *certiorari* under Rule 45 of the Rules of Court filed on 28 October 1986, petitioners urge this Court to review and reverse the decision dated 13 October 1986 of the Intermediate Appellate Court (now Court of Appeals) in C.A.-G.R. CV No. 66054[1] affirming the decision dated 30

[1] Per then Presiding Justice Emilio A. Gancayco, concurred in by Associate Justices Lorna S. Lombos-Dela Fuente and Gloria C. Paras.

Supreme Court E-Library

August 1979 of the Court of First Instance (now Regional Trial Court) of Laguna and San Pablo City in Civil Case No. SP-1105 which declared null and void, for being simulated, a deed of sale of two (2) parcels of land located in San Pablo City executed by the spouses Ildefonso Bartolome and Adelaida Jaro in favor of their daughter Rosaura.

The antecedent facts as summarized by the respondent Court are as follows:

"Ildefonso Bartolome and Adelaida Jaro were husband and wife. They had two legitimate children, Rosaura Bartolome and Guillermo Bartolome died at the age of 12.

During their marriage, the spouses Ildefonso Bartolome and Adelaida Jaro, in a Deed of Absolute Sale dated May 10, 1946, acquired two parcels of land from Maria Ambray in consideration of the sum of ₱500.00. The properties (Lot No. 5 and Lot No. 10) were registered in both their names under Original Certificate of Title No. 0-12 (Exh. "21") and were described therein as follows:

'1. A parcel of land (Lot No. 5, plan SWO. — 22182, Psu-117212, Case No. 49, G.L.R.O. Record No. 1508), situated in the City of San Pablo, Province of Laguna. x x x containing an area of three thousand one hundred and nineteen (3,119) square meters, more or less. x x x

2. A parcel of land (Lot No. 10, plan SWO. — 22182, Psu-117212, Case No. 49, G.L.R.O. Record No. 1508), situated in the City of San Pablo, Province of Laguna x x x containing an area of one thousand one hundred and one (1,101) square meters, more or less. x x x'

On December 31, 1949, the above-described properties were sold by the spouses to their daughter Rosaura Bartolome for the price of ₱1.00 in a Deed of Absolute Sale executed by them (Exh. B). This is the document that was declared void by the Lower Court.

By virtue of this Deed of Absolute Sale, Rosaura was issued Transfer Certificate of Title No. T-582 covering the properties described in Original Certificate of Title No. 0-12.

Later, a guardianship proceeding for the incompetent Adelaida Jaro was brought in the Court of First Instance of Laguna and San Pablo City (Sp. Proc. No. 4322), where Rosaura was appointed guardian

Supreme Court E-Library

of the property and person of her mother. In the submitted inventory of the estate of Adelaida Jaro Lot No. 5 and Lot No. 10 were included, as being owned by her. In this same proceeding, Rosaura, as the guardian of Adelaida Jaro asked for authority to sell the whole of Lot No. 10 and a portion of Lot No. 5 in order that a house may be constructed from the proceeds thereof. This was granted by the Court and on August 31, 1951, Rosaura transferred ownership of the following properties to the Young Man's (sic) Christian Association (San Pablo Branch).

> '1. A parcel of land (Lot No. 10, plan SWO, 22182, Case No. 49, G.L.R.O. Record No. 15081, situated in the City of San Pablo, Province of Laguna x x x containing an area of one thousand one hundred and one (1,101) square meters, more or less. Covered by Transfer Certificate No. T-582.
>
> 2. A parcel of land Lot No. 5-B of the sub-division, (being a portion of Lot No. 5, Psu-117212 and described in the Transfer Certificate of Title No. 582), situated in the City of San Pablo x x x Containing an area of ONE THOUSAND EIGHT HUNDRED AND THIRTY (1,830) sq. m. more or less.'

Following this, Transfer Certificate of Title No. 663 was issued in the name of Rosaura for the remaining portion of the property (Lot No. 5-B).

In 1959, Rosaura Bartolome married Avelino Banaag. They had two children — Rosabel and Rowena Banaag.

On June 14, 1961, Rosaura died and Ildefonso Bartolome replaced her as guardian of incompetent Adelaida Jaro in the guardianship proceeding Sp. Proc. No. 4322. Since the property covered by Transfer Certificate of Title No. T-663 in the name of Rosaura was included in the inventory of the estate of Adelaida Jaro, the two children of Rosaura, as represented by their father, brought a case (Civil Case No. SP-642) against Adelaida Jaro, as represented by her guardian Ildefonso Bartolome. In this case (Civil Case No. SP-642), Rowena and Rosabel Banaag asked for the removal of the cloud cast upon the property covered by Transfer Certificate of Title No. T-663. This case (SP-642) was decided in accordance with a compromise agreement signed by both parties which states:

> '1. That both parties hereto now agree to consider Rosabel Bartolome-Banaag and Rowena Bartolome-Banaag, plaintiffs, as owners in common of the following property:

Supreme Court E-Library

> 'A parcel of land (lot No. 5-B of the Subdivision plan Psd-33880 being portion of Lot 5 described on plan Psu-117212. G.L.R.O. Record No. 1508), situated in the City of San Pablo. Bounded on the NW., and NE., by Lot 5-A of the subdivision plan; on the SE., by Lot 11 of plan Psu-117212; and on the SW., by Provincial Road x x x containing an area of ONE THOUSAND TWO HUNDRED EIGHTY NINE (1,289) Square Meters, more or less, by reason of which said Transfer Certificate of Title No. T-663 registered in the name of Rosaura Bartolome in the Registry of Deeds of the City of San Pablo, may be cancelled and transferred in the names of Rosabel Bartolome-Banaag, minor and Rowena Bartolome-Banaag, minor, Filipinos, and residing at the City of San Pablo';

2. That in consideration of the foregoing, the plaintiffs, Rosabel Bartolome-Banaag and Rowena Bartolome-Banaag and their father and guardian *ad-litem*, Avelino Banaag, hereby grant unto due recognize the exclusive, irrevocable, and unlimited rights of the spouses Ildefonso Bartolome and Adelaida Jaro to enjoy and/or reap or receive the fruits, income, or usufruct of the above property, for as long as any of said spouses live, and for that reason Ildefonso Bartolome and/or his spouse can possess, occupy, or even lease the said property in any manner and for whatever terms and conditions he or she deems best, without the necessity of asking the prior consent of the plaintiffs or anybody else, but should both spouses Ildefonso Bartolome and Adelaida Jaro predecease the plaintiffs the subsequent income to be derived from the contract of lease of the lot after the death of said spouses will already go to Rosabel B. Banaag and Rowena B. Banaag;

3. That it is also agreed upon by the parties hereto, that the house erected on the above mentioned lot is to be considered as the exclusive and separate property of Adelaida Jaro, and as regards the other improvements on said lot, the same should be considered and treated as the separate and exclusive property of Ildefonso Bartolome, as it was the latter who introduced and placed the same thereon;

4. That during the lifetime of the spouse (sic) Ildefonso Bartolome and Adelaida Jaro, none of the parties hereto can mortgage or sell the property described in paragraph 1 above,

Supreme Court E-Library

except when all the parties hereto agree in writing to mortgage or sell the same;

5. That should the plaintiffs Rosabel Bartolome-Banaag and Rowena Bartolome-Banaag predecease the spouses Ildefonso Bartolome and Adelaida Jaro, it is agreed upon that one-half (½) of the property described in paragraph 1 will revert to the spouses Ildefonso Bartolome and Adelaida Jaro, and the other half, to Avelino Banaag and other plaintiffs' heirs and successors-in-interest (sic);

6. That it is likewise agreed upon that the above agreements mentioned in paragraphs 2,3,4 and 5 may be annotated on the back of the title of the land described in paragraph 1, but whether or not they are annotated thereon, the said agreements are nevertheless binding and effective to (sic) parties hereto, their privies, successors, administrators, executors and assigns;

7. That in view of the foregoing agreement, the plaintiffs and the defendant agree to exclude the land described in paragraph 1 from the inventory of the estate of the incompetent, Adelaida Jaro in Special Proceeding No. 4322, entitled: *In re: Guardianship of the incompetent Adelaida Jaro*;

8. That should any of the agreements mentioned in paragraphs 2 to 6 of the foregoing be declared void, or nullified by the plaintiffs, their privies, executors, kins (sic), administrators and successors in interests (sic), it is understood that all the other agreements above mentioned should likewise be considered void or nullified, and in that event, the property described in paragraph 1 of this compromise agreement will revert to the ownership of the conjugal estate of the spouses Ildefonso Bartolome and Adelaida Jaro, as when it was originally registered in their names; and on the other hand, should Ildefonso Bartolome or his spouse sell or mortgage said property (Lot) without the written Consent of all parties hereto, the guilty party or parties would forfeit or lose his or her right to the usufruct and other benefits stipulated in the paragraph 2 above;

9. That the guardian *ad-litem* Avelino Banaag, husband of the late Rosaura Bartolome, waives and renounces in favor of the plaintiffs his right and interest to the property described in paragraph 1 of this compromise agreement;

Supreme Court E-Library

10. That except for the foregoing agreements, the plaintiffs and the defendant waive and renounce any further claim or counter-claim one may have against each other in the above entitled case;'

Pursuant to the said decision in Civil Case No. SP-642, the Court, in the guardianship proceeding of incompetent Adelaida Jaro issued an order excluding the lot covered by TCT No. T-663, then registered in the name of Rosaura, from the inventory of the estate of Adelaida Jaro. Thereafter, TCT No. T-663 was cancelled and TCT No. 6215 was issued in the names of Rosabel Banaag and Rowena Banaag.

Beginning June, 1949, Ildefonso Bartolome carried an extra-marital relationship with Constancia Santiago, a widow. Out of this relationship, 4 children were born namely: Manuel, born on May 10 1951; Estanislao, born on September 28, 1952; Minerva Expedita, born on April 19, 1956; and Peter, born on June 29, 1966. Upon Adelaida Jaro's death on January 8, 1968, Constancia Santiago, and her children with Ildefonso Bartolome started residing in the house constructed on the lot covered by Transfer Certificate of Title No. T-6215, now registered in the names of Rosabel Banaag and Rowena Banaag.

After the death of Ildefonso Bartolome on Feb. 22, 1972, several demands to leave the premises were made on Constancia Santiago and her children, by the Banaag family. It was only then that Constancia Santiago and her children found out about the Deed of Absolute Sale executed between Maria Ambray and the spouses Ildefonso Bartolome and Adelaida Jaro and the Deed of Absolute Sale executed between the said spouses and their daughter, Rosaura Bartolome.

Shortly after, on April 28, 1973, Constancia Santiago and her children by Ildefonso Bartolome (plaintiffs-appellees in this case) brought a complaint to annul the Deed of Absolute Sale executed between spouses Ildefonso Bartolome and Adelaida Jaro and their daughter, Rosaura Bartolome. Avelino Banaag, Rosabel Banaag, and Rowena Banaag (defendants-appellants in this case) filed a motion to dismiss (sic) but the Court denied it for lack of merit and ordered the plaintiffs to amend their complaint to clarify their status — whether Legitimate, acknowledged natural children, or otherwise illegitimate children of the deceased Ildefonso Bartolome. Trial on the merits was had in due course.

On August 30, 1979, the Lower Court rendered a decision with the following dispositive portion:

Supreme Court E-Library

'WHEREFORE, judgment is hereby rendered as follows:

(1) declaring the Deed of Absolute Sale, Annex "A" of the petition and marked Exhibit "B", null and void for being simulated;

(2) ordering the Register of Deeds to cancel Transfer Certificate of Title No. T-6215 in the name of herein plaintiffs (sic) Rosabel Bartolome-Banaag and Rowena Bartolome-Banaag and to issue in lieu thereof another certificate of title covering the same parcel of land and improvements existing thereon in the following proportion:

(a) to defendants Rosabel Bartolome Banaag and Rowena Bartolome-Banaag, 805.625 square meters in equal *pro indiviso* share;

(b) to plaintiffs Manuel S. Bartolome, Estanislao S. Bartolome and Expedita S. Bartolome and Peter S. Bartolome, minor, 483.375 square meters in equal *pro-indivisio* (sic) share;

(c) dismissing defendants counterclaim and the parties to bear respectively their own expense of litigation.

No pronouncements as to costs.

SO ORDERED."'[2]

Petitioners appealed this decision to the then Intermediate Appellate Court, assigning the following errors:

"I

THE LOWER COURT ERRED IN REVOKING A FINAL DECISION IN ANOTHER CASE WHICH IS NOT A SUBJECT OF THE LITIGATION.

II

THE LOWER COURT ERRED IN NULLIFYING THE DEED OF SALE EXHIBIT "B".

---

[2] *Rollo,* 6-12.

Supreme Court E-Library

III

THE LOWER COURT ERRED IN DECLARING THAT THE HOUSE IS PART OF THE CONJUGAL PROPERTY OF ILDEFONSO BARTOLOME AND ADELAIDA JARO.

IV

THE LOWER COURT ERRED IN NOT DISMISSING THE COMPLAINT UPON MOTION OF DEFENDANTS.

V

THE LOWER COURT ERRED IN ORDERING THE AMENDMENT OF THE DEFECTIVE, ORIGINAL COMPLAINT WHICH ALLEGES NO CAUSE OF ACTION.

VI

THE LOWER COURT ERRED IN FINDING PLAINTIFFS ACKNOWLEDGED SPURIOUS CHILDREN OF ILDEFONSO BARTOLOME, THRU AUTHENTIC WRITINGS AND CONTINUOUS (SIC) POSSESSION OF THE STATUS OF A CHILD OF ILDEFONSO BARTOLOME."[3]

In its decision[4] of 13 October 1986, the Intermediate Appellate Court affirmed the lower court's judgment, making the following disquisitions:

1) Although it is true that by the lower court's decision in Civil Case No. SP-1105 it rendered the compromise judgment in Civil Case No. SP-642 without effect, the lower court did not err in so deciding as what was put in issue in the earlier case (Civil Case No. SP-642) was the inclusion of the property in the inventory of the estate of Adelaida Jaro. The validity of the contract of sale was not passed upon in said case. In fact, the compromise agreement would not have been entered into had there been no contract of sale between Rosaura Bartolome and her parents.

2) The finding that the sale is null and void for being simulated is well founded. Lot Nos. 10 and 5-B were bought by the spouses Ildefonso Bartolome and Adelaida Jaro for ₱500.00. Three (3) years

---

[3] *Rollo*, 12-13.

[4] Annex "A" of Petition; *Id.*, 20-35.

Supreme Court E-Library

later, the same lots were purchased by Rosaura for only P1.00. Not only that, only two (2) years later, Rosaura herself, on behalf of her mother, sold Lot No. 10 and a portion of Lot No. 5 for as much as ₱12,000.00. While as a rule the law does not require for validity of a sale that the price be adequate, it ordains that the price be real and not fictitious. In the case at bar, "the inadequacy of price was so gross as to shock the conscience of man. The price was not merely inadequate but fictitious and simulated."

3) Neither did the lower court err in considering the house standing on Lot No. 5-B as part of the conjugal property of the spouses Ildefonso Bartolome and Adelaida Jaro. Defendants (petitioners) themselves admit that the money used to construct said house came from the proceeds of the sale of Lot No. 10 and a portion of Lot No. 5-B to YMCA. Since said lots were undeniably purchased by said spouses during their marriage, and thus are conjugal property, consequently, the subject house is conjugal property.

4) The trial court did not err in denying the motion to dismiss because, contrary to defendants' (petitioners') contention, plaintiffs had capacity to sue notwithstanding minority at the time of the filing of their complaint since they were duly represented by their mother. Furthermore, they have successfully proven their status as acknowledged spurious children of Ildefonso Bartolome through authentic writing as well as testimonial evidence presented during the trial of this case. Hence, the plaintiffs had all the right to question the validity of the contract of sale entered into by their father as said land could have been passed on to them upon his death.

Nor could the complaint be dismissed on the ground that it failed to state a cause of action in view of the fact that plaintiffs merely alleged that they are children and heirs of Ildefonso Bartolome without any proof thereof. A complaint should not be dismissed for insufficiency even if the allegations therein are ambiguous, indefinite or uncertain if a cause of action can nonetheless be made out therefrom. As already stated, plaintiffs alleged that they are children of Ildefonso Bartolome. It is obvious that if such claim is proven and the document sought to be annulled is declared void, as was done by the trial court, the plaintiffs (private respondents) have a right to inherit a portion of the property left by their father.

5) Anent the finding that plaintiff-appellees (private respondents) are *acknowledged* spurious children of Ildefonso Bartolome, the record of this case reveals that the decision of the trial court is supported by both documentary and testimonial evidence. The testimonies of

Supreme Court E-Library

Carmen Bartolome (sister of the late Ildefonso Bartolome), Constancia Santiago, and Manuel Bartolome himself (one of the private respondents) indubitably show that plaintiffs (private respondents) had been in continuous possession of the status of illegitimate children of Ildefonso Bartolome. On the other hand, documentary evidence on record proved that Ildefonso Bartolome, during his lifetime, voluntarily recognized the plaintiffs (private respondents) as his spurious children. These consists of: (1) report cards of private respondents with the signature of Ildefonso found on the space provided at the back thereof for parent's signature; (2) Ildefonso's SSS Form dated 11 August 1970 wherein plaintiffs (private respondents) were named as dependents and new beneficiaries; (3) Ildefonso's income tax return for 1968 wherein plaintiffs (private respondents) were listed as his dependents; (4) Ildefonso's statement of income and assets for 1969 wherein plaintiffs (private respondents) were listed as family members; (5) SSS Form on distribution of death benefits wherein one-half (1/2) of the death benefits was allotted to plaintiffs (private respondents); (6) the Deed of Waiver executed by petitioner Avelillo Banaag admitting plaintiffs (private respondents) are children of the late Ildefonso Bartolome; and (7) photographs showing the late Ildefonso Bartolome together with Constancia Santiago and plaintiffs (private respondents).

Dissatisfied with the above decision, petitioners took this present recourse, making the following assignment of errors in their Brief:

"I

THE RESPONDENT HONORABLE INTERMEDIATE APPELLATE COURT ERRED WHEN IT SUSTAINED THE ALTERATION AND REVOCATION OF THE FINAL DECISION IN CIVIL CASE NO. SP-642 OF THEN COURT OF FIRST INSTANCE OF SAN PABLO CITY, WHICH HAS NOT BEEN THE SUBJECT OF THIS INSTANT CASE BY:

(a) CANCELING THE T.C.T. NO. T-6215 ALREADY IN THE NAMES OF THE PETITIONERS HEREIN ROSABEL AND ROWENA BARTOLOME BANAAG PURSUANT TO SAID DECISION IN CIVIL CASE MO. SP-642; AND

(b) DECLARING THE HOUSE ERECTED ON THE PROPERTY COVERED BY T.C.T. NO. T-6215 AS CONJUGAL PROPERTY WHEN IT HAS ALREADY

Supreme Court E-Library

BEEN DECLARED AS EXCLUSIVE PROPERTY OR PARAPHERNAL PROPERTY OF THE LATE ADELA JARO, PURSUANT ALSO TO THE SAID DECISION IN CIVIL CASE NO. SP-642.

II

THE RESPONDENT HONORABLE INTERMEDIATE APPELLATE COURT ERRED WHEN IT SUSTAINED THE DECISION IN CIVIL CASE NO. SP-1105 ALSO AT THE CFI OF SAN PABLO CITY, WHEN IT DECLARED: THE PRIVATE RESPONDENTS HEREIN AS ACKNOWLEDGED SPURIOUS CHILDREN OF THE LATE ILDEFONSO BARTOLOME WHEN THE SAID RESPONDENTS DID NOT ASK FOR IT IN THEIR PRAYER IN THE COMPLAINT, CONSIDERING THAT THE COMPLAINT IS FOR THE DECLARATION OF NULLITY OF THE DEED OF ABSOLUTE SALE, ANNEX "A", (EXH "B")."[5]

In the resolution[6] of 26 November 1986, We gave due course to the instant petition and required private respondents to file an answer thereto, which they complied with on 24 February 1987.[7]

On 18 May 1987, We required both parties to submit their respective briefs which petitioners complied with on 13 July 1987[8] and the private respondents on 25 August 1987.[9] Petitioners filed a Reply Brief on 24 March 1988.[10]

We find no merit in this petition. Respondent Court did not commit any reversible error.

I

Respondent Court correctly ruled that the validity of the deed of sale in question was not raised in Civil Case No. SP-642. Private

---

[5] *Rollo*, 62-63.

[6] *Id.*, 44.

[7] *Id.*, 52-57.

[8] *Id.*, 60-80.

[9] *Id.*, 88.

[10] *Id.*, 97.

Supreme Court E-Library

respondents were neither parties in said case nor in privity with the parties therein. The decision therein, based on a compromise agreement, cannot bind them.

As We stated in *Tan, et al. vs. Barrios, et al.*[11]

"*Res inter alios judicate nullum aliis praejudicium faciunt*. 'Matters adjudged in a cause do not prejudice those who were not parties to it.' (54 C.J. 719). It is a cardinal role of procedure that a court's judgment or order in a case shall not adversely affect persons who were not parties to the self same case (*Icasiano vs. Tan*, 84 Phil. 860)."

The rule then that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, should be conclusive upon the parties and those in privity with them,[12] cannot be invoked in this case. It may be true that one of the signatories to the compromise agreement in that case is Ildefonso Bartolome, natural father of private respondents. However, he signed as guardian of incompetent Adelaida Jaro. The introductory portion of the compromise agreement[13] explicitly states:

"The plaintiffs, represented by their father and guardian ad-litem, AVELINO BANAAG, and the defendant, represented by her guardian ILDEFONSO BARTOLOME, x x x respectfully submit, for approval and judgment, the following terms of compromise agreement, *viz*: x x x."

Besides, at the time the compromise agreement was signed and the decision approving the same was handed down, private respondents Manuel, Estanislao, Expedita and Peter, all surnamed Bartolome, were still minors.

II

On the second assigned error, petitioners assert that it was erroneous for the court to declare the private respondents as

---

[11] 190 SCRA 686, 698 (1990).

[12] *Miranda, et al. vs. Court of Appeals, et al.*, 141 SCRA 302; *Alvarez, et al. vs. IAC, et al.*, 185 SCRA 8.

[13] *Rollo*, 39.

Supreme Court E-Library

recognized and acknowledged illegitimate children of the late Ildefonso Bartolome when such a declaration was not asked for. Precisely, private respondents merely assumed and thereafter alleged that they were duly acknowledged spurious children of Ildefonso Bartolome without seeking the declaration of such status by a competent court as is required.[14] They contend further that both the lower court and the appellate court erred in considering: (1) the report cards, SSS Form dated 11 August 1970 and the other documentary evidence submitted as "authentic documents" in the light of Article 278 of the New Civil Code; and (2) that private respondents have been in continuous possession of the status of illegitimate children of Ildefonso Bartolome as shown by the direct acts of the latter and his family.[15]

Three (3) issues are presented by this assignment of error: (1) whether or not the trial court could properly declare private respondents as recognized spurious children of Ildefonso Bartolome notwithstanding their failure to ask for such declaration; (2) whether or not the documents executed by Ildefonso Bartolome and presented in evidence are authentic writings which effectively operate as a recognition of private respondents as his spurious children, even if no action was brought by the latter to compel the former during his lifetime to give such recognition; and (3) whether or not private respondents have been in continuous possession of the status of illegitimate children of Ildefonso Bartolome.

As this case was litigated and decided by the trial court prior to the effectivity of the Family Code, the rights of the parties shall be determined in accordance with the law then applicable, Book I of the New Civil Code. The latter provides two (2) modes of acknowledgment of illegitimate issues: (1) by voluntary recognition by the putative parent made in the record of birth, a will, a statement before a court of record or in an authentic writing under Article 278 of the Civil Code; and

---

[14] *Rollo*, 74-75.

[15] *Id.*, 76.

Supreme Court E-Library

(2) by compulsory recognition under the circumstances mentioned in Article 283 of the same law, which includes continuous possession of the status of a child of the alleged father by the direct acts of the latter or his family. Recognition is compulsory when by court action, the child causes the putative parent to acknowledge his filiation. It is also called judicial recognition.[16]

Apparently, petitioners have miscomprehended the complaint filed by private respondents in Civil Case No. SP-1105, erroneously mistaking it to be one for compulsory recognition of the latter as illegitimate children of Ildefonso Bartolome. This accounts for their insistence that the court erred in making such a declaration without private respondents asking for it. Private respondents did not ask for such declaration because they were not seeking to oblige their putative father to recognize them as his spurious children. On the contrary, as shown in their amended complaint, private respondents claim that they have already been voluntarily recognized by Ildefonso Bartolome as such. It is by virtue of said voluntary recognition that they claim to have hereditary rights in the estate of Ildefonso Bartolome, which allegedly includes the property subject of the Deed of Sale sought to be annulled. In compliance with fundamental rules of procedure, private respondents presented evidence in the course of the trial to prove their allegations. Clearly therefore, the trial court could properly make a finding on whether said allegations of private respondents are supported by their evidence.

The two (2) other related issues on voluntary recognition thru authentic writings and the continuous possession of status are purely factual. On this matter, the respondent Court held:

"x x x. A careful examination of the record of the case reveals that the decision of the trial court is supported by evidence and applicable jurisprudence. Withal, there is no error in fact or law that would merit a reversal or modification of the same."[17]

---

[16] *Baluyut vs. Baluyut*, 186 SCRA 506, 512; *Mangulabnan vs. IAC*, 185 SCRA 760.

[17] *Rollo*, 32.

Supreme Court E-Library

Respondent Court did indeed make a thorough examination, as evidenced by its careful and meticulous appraisal and evaluation of the facts.

The general rule is that the jurisdiction of the Supreme Court in cases brought before it from the Court of Appeals is limited to reviewing or revising the errors of law imputed to it, its findings of fact being conclusive;[18] it is not the function of the Court to analyze or weigh such evidence all over again. It is only in exceptional circumstances where this Court may review findings of facts of the Court of Appeals. In *Remalante vs. Tibe, et al.*,[19] this Court took the occasion to enumerate such exceptional circumstances:

"In several decisions of recent vintage [*Rizal Cement Co., Inc. vs. Villaruel*, G.R. No. L-30272, February 28, 1985, 135 SCRA 15; *Ramos v. Court of Appeals*, G.R. No. L-25463, April 4, 1975, 63 SCRA 331; *Garcia v. Court of Appeals*, G.R. No. L-26490, June 30, 1970, 33 SCRA 623; *Ramos v. Pepsi-Cola Bottling Co*., G.R. No. L-22533, February 9, 1967, 19 SCRA 289], the Court summarized and enumerated the exceptional circumstances that would compel the Supreme Court to review findings of fact of the Court of Appeals, to wit:

(1) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures [*Joaquin v. Navarro*, 93 Phil. 257 (1953)];

(2) when the inference made is manifestly absurd, mistaken or impossible [*Luna v. Linatoc*, 74 Phil. 15 (1942)];

(3) when there is grave abuse of discretion in the appreciation of facts [*Buyco v. People*, 95 Phil. 253 (1954)];

(4) when the judgment is premised on a misapprehension of facts [*De la Cruz v. Sosing*, 94 Phil. 26 (1953); *Castillo v. Court of Appeals*, G.R. No. L-48290, September 29, 1983, 124 SCRA 808];

(5) when the findings of fact are conflicting [*Casica v. Villaseca*, 101 Phil. 1205 (1957)]; and

---

[18] *Chan vs. Court of Appeals*, 33 SCRA 737.

[19] 158 SCRA 138.

Supreme Court E-Library

(6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee. [*Evangelista v. Alto Surety and Ins. Co., Inc.*, 103 Phil. 401 (1958)]."

Then added, by way of footnote, are the following:

"x x x: . . . (7) the findings of the Court of Appeals are contrary to those of the trial court; (8) said findings of fact are conclusions without citation of specific evidence on which they are based; (9) the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents [*Garcia v. Court of Appeals*, G.R. No. L-26490, June 30, 1970, 33 SCRA 622]; (10) the finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record [*Salazar v. Gutierrez*, G.R. No. L-21727, May 29, 1970, 33 SCRA 242].

However, in Garcia, *supra*, the Court considered exception Nos. 7, 8 and 9 as circumstances that, taken together, compelled it to go into the record of the case in order to find out whether or not it fell within any of the six established exceptions.

On the other hand, exception No. 10 may be considered as an illustration of the fourth exception — that the judgment is based on a misapprehension of facts."

At least four (4) of the documents presented in evidence by the private respondents, namely, Ildefonso Bartolome's SSS Form E-4 dated 11 August 1970 (Exhibit "F"), Individual Income Tax Returns for 1967 and 1968 (Exhibits "J" and "K") and his Individual Statement of Income and Assets for the year 1969 (Exhibit "M") are undoubtedly authentic documents within the contemplation of Article 278 of the Civil Code. They are signed by him and contain express statements that private respondents are his sons and daughter. The authenticity of his signature is not questioned.

A writing is authentic, for purposes of Article 278 of the Civil Code, if it is the genuine or indubitable writing of the father (or mother), and includes a public instrument (one acknowledged before a notary public or other competent official with the formalities required by law) and, of course, a public

Supreme Court E-Library

or official document in accordance with Section 20, Rule 132 of the Rules of Court.[20]

The voluntary recognition of private respondents as illegitimate children of Ildefonso Bartolome renders unnecessary the need for proof of continuous possession of such status since such is only one of the grounds for investigation of paternity or maternity under Article 289 of the Civil Code or for compulsory recognition.

WHEREFORE, the *petition* is *DISMISSED* and the *decision of the Court of Appeals in C.A.-G.R. No. CV-66054*, promulgated on 13 October 1986 is hereby *AFFIRMED*.

Costs against petitioners.

IT IS SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and *Romero, JJ.*, concur.

FIRST DIVISION

[G.R. No. 93849. December 20, 1991]

THE PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* **DICK ONG *y* CHAN, LINO MORFE *y* GUTIERREZ, RICARDO VILLARAN AND LUCILA TALABIS, accused, DICK ONG *y* CHAN,** *accused-appellant*.

SYLLABUS

1. CRIMINAL LAW; ESTAFA; ELEMENTS IN GENERAL. — The elements of estafa in general are: (1) that the accused defrauded another (a) by abuse of confidence, or (b) by means of deceit; and (2) that damage or prejudice capable of pecuniary estimation is caused to the offended party or third person.

---

[20] *Gapusan-Chua vs. Court of Appeals, et al.*, 183 SCRA 160.