THIRD DIVISION

G.R. No. 268123 – SPOUSES VIRGILIO and MA. ESTRELITA GUASIS, Petitioners, **v. SPOUSES MANUEL MILLAN and EDNA DC MILLAN, substituted by their children, PIA RITA MILLAN and EMMANUEL PATRICK MILLAN,** Respondents.

Promulgated:

FEB 19 2026

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DISSENTING OPINION

CAGUIOA, *J.*:

The Court in the case at bar resolves the question of whether herein respondents Spouses Manuel Millan and Edna DC Millan, now represented by their children (collectively, respondents) may seek the ouster of the petitioners Spouses Virgilio and Ma. Estrelita Guasis (collectively, petitioners) in an unlawful detainer case.

The more predicate issue to my mind, however, more ultimately asks whether there was effective reservation of ownership on the part of the seller, herein petitioners, in the case at bar, in which case the facts as will be recalled below will lend themselves to a contract-to-sell scenario which, in turn, will bear upon whether the buyers, herein respondents, may successfully seek the formers' ouster.

The facts that bring the present issue for resolution involves a complaint for unlawful detainer brought by respondents against petitioners on the following premises: (i) that respondents bought the subject lot from petitioners in 2008 as evidenced by a Deed of Absolute Sale and subsequently had Transfer Certificate of Title No. PT-141439 (TCT) issued in their name, but that; (ii) despite said sale, petitioners had continually refused to vacate the subject lot despite oral and written demands.[1]

The petitioners countered, thus: (i) that the complaint lacked a cause of action; (ii) that the Deed of Absolute Sale was fictitious for lacking in consideration, given that respondents only paid PHP 750,000.00 with a remaining substantial balance of PHP 7,710,000.00 still to be paid; and (iii) that the Deed of Absolute Sale did not confer ownership to respondents, considering that petitioners retained possession of the subject lot and continue to pay the taxes imposed on said subject lot.[2]

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1 *Ponencia*, p. 2.
2 *Id.* at 2–3.

The Metropolitan Trial Court (MeTC), as later affirmed by the Regional Trial Court (RTC)[3] and the Court of Appeals (CA),[4] ruled favorably for respondents, and ordered petitioners to vacate the subject lot and pay costs. It found that it lacked authority to determine the validity of the Deed of Absolute Sale and respondents' title over the lot and that the TCT in their name is binding unless annulled by a court of competent jurisdiction which, by law and jurisprudence, is the RTC, in a direct proceeding for cancellation of title.[5]

The Court now affirms the CA and denies the petition, on the finding that in an unlawful detainer case brought before the MeTC, the issue is the better right to possess, with any issue of ownership merely resolved provisionally, and that in accordance with the Torrens system, a certificate of title such as the TCT issued in respondents' names is conclusive and may only be annulled *via* a direct action before the RTC.[6]

I dissent.

Contrarily, I submit that the issue of whether this is, in fact, a contract-to-sell scenario is necessary as it goes into the merit of whether petitioners may be properly ousted in the unlawful detainer case. More specifically, if this is appreciated as a contract-to-sell scenario, petitioners may not be ousted as they would have a better right to possess by way of implied reservation of ownership.

While not textually defined in the Civil Code, a contract to sell is nonetheless a jurisprudentially recognized type of a valid contract which provides for the conditional nature of the transfer of ownership and clearly distinguishes it from a contract of sale, where ownership is not reserved.

In *Nabus v. Spouses Pacson*,[7] the Court extensively discussed the distinctions between a contract of sale and a contract to sell, *viz.*:

> A contract of sale is defined in Article 1458 of the Civil Code, thus:
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> > Art. 1458. By the contract of sale, one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to pay therefor a price certain in money or its equivalent.
> >
> > A contract of sale may be absolute or conditional.

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3 *Id.* at 4.
4 *Id.* at 5.
5 *Id.* at 3–4.
6 *Id.* at 9–10.
7 620 Phil. 344 (2009) [Per J. Peralta, Third Division].

Ramos v. Heruela differentiates a contract of absolute sale and a contract of conditional sale as follows:

> Article 1458 of the Civil Code provides that a contract of sale may be absolute or conditional. A contract of sale is absolute when title to the property passes to the vendee upon delivery of the thing sold. A deed of sale is absolute when there is no stipulation in the contract that title to the property remains with the seller until full payment of the purchase price. The sale is also absolute if there is no stipulation giving the vendor the right to cancel unilaterally the contract the moment the vendee fails to pay within a fixed period. In a conditional sale, as in a contract to sell, ownership remains with the vendor and does not pass to the vendee until full payment of the purchase price. The full payment of the purchase price partakes of a suspensive condition, and non-fulfillment of the condition prevents the obligation to sell from arising.
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> . . . .
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> Under this definition, a Contract *to* Sell may not be considered as a Contract *of* Sale because the first essential element is lacking. **In a contract to sell, the prospective seller explicitly reserves the transfer of title to the prospective buyer, meaning, the prospective seller does not as yet agree or consent to transfer ownership of the property subject of the contract to sell until the happening of an event, which for present purposes we shall take as the full payment of the purchase price. What the seller agrees or obliges himself to do is to fulfill his promise to sell the subject property when the entire amount of the purchase price is delivered to him. In other words, the full payment of the purchase price partakes of a suspensive condition, the non-fulfil[l]ment of which prevents the obligation to sell from arising and, thus, ownership is retained by the prospective seller without further remedies by the prospective buyer.**[8] (Emphasis in the original, citations omitted)

To be sure, seen in the light of the foregoing jurisprudential definition, the facts illustrate that while not expressed in the black letter of the agreement between the parties, a reservation of ownership may nevertheless be reasonably gleaned from the following undisputed facts: (i) there still remains the outstanding balance of PHP 7,710,000.00, as respondents only paid PHP 750,000.00 out of the total purchase price; and (ii) petitioners, as the sellers, remain in possession of the supposedly sold subject lot, and continue to pay for the taxes thereon.

In sum, I submit, that the foregoing provision and the jurisprudential explication, when applied to the case at bar, paint the more complete and underlying framework of a contract-to-sell scenario, which significantly shifts

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[8] *Id.* at 360–361.

the nature of the facts and the parties' rights in it, and consequently gives petitioners here a discernibly better right to the possession of the subject property.

ACCORDINGLY, I vote to **GRANT** the petition.

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice