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Activities that involve a Deed of Assignment sometimes use the following documents. You may be interested in them: Republic of the PhilippinesSUPREME COURTManila THIRD DIVISIONG.R. No. 84847. March 5, 1993. HENRY KOA and VIRGINIA KOA, petitioners, vs. THE HON. COURT OF APPEALS and BA FINANCE CORPORATION, respondents. Leven S. Puno for petitioners. Valera, Urmeneta & Associates for private respondent. SYLLABUS 1. CIVIL LAW; OBLIGATIONS AND CONTRACTS; ASSIGNMENT; ASSIGNEE DEEMED SUBROGATED TO THE RIGHTS AND OBLIGATION OF THE VENDOR. — It is basic under substantive law that when a seller or vendor assigns his credit to another person, the latter is deemed subrogated to the rights as well as to the obligations of the seller. (BA Finance Corporation, vs. Court of Appeals, 201 SCRA 157 [1991]). By virtue of the deed of assignment, the assignee is deemed subrogated to the rights and obligations of the assignor and is bound by exactly the same conditions as those which bound the assignor (see Mercantile Ins. Co., Inc. vs. Felipe Ysmael, Jr. & Co., Inc., 169 SCRA 66; BPI Credit Corporation vs. Court of Appeals, 204 SCRA 601 [1991]). 2. ID.; ID.; ID.; ID.; ASSIGNEE CAN NOT ACQUIRE GREATER RIGHTS THAN THOSE OF THE ASSIGNOR. — An assignee cannot acquire greater rights than those pertaining to the assignor (Gonzales vs. Land Bank of the Phils., 183 SCRA 520 [1990] and other cases cited). The general rule is that an assignee of a non-negotiable chose in action acquires no greater right than what was possessed by his assignor and simply stands into the shoes of the latter (Fidelita Mut. L. Ins. Co. vs. Clark, 203 U.S. 64, 51 L. ed., 91 27 s. Ct. 19' Judson vs. Corcoran, 17 How (US) 612, 156 L. ed. 231). 3. ID.; ID.; ID.; DOES NOT OPERATE TO ERASE LIENS OR RESTRICTIONS BURDENING THE RIGHT ASSIGNED. — As the assignee of the mortgage lien obtained the rights, title, and interests of the assignor (People's Car, Inc.) over the aforementioned motor vehicle and the promissory note, but the act of assignment, did not operate to erase liens or restrictions burdening the right assigned (PNB vs. Gen. Acceptance and Finance Corp., et al., 161 SCRA 449 [1988]) 4. ID.; ID.; CHATTEL MORTGAGE; SURRENDER OF MOTOR VEHICLE WHICH TO THE MORTGAGEE BARS PAYMENT OF UNPAID BALANCE; REASON; CASE AT BAR. — Petitioners should be exonerated from paying the balance and legal interest arising from the promissory note because of the legal proscription against unjust enrichment (Article 2124, New Civil Code). In the case at bar, the vehicle was surrendered to People's Car, Inc. even before the action for replevin was filed. Certainly, to require petitioners to effect full payment in the manner arrived at below after they turned over the vehicle to People's Car, Inc. which did not fulfill its avowed promise to provide a replacement therefor, is wholly incongruous, nay, inequitable. Verily, and judging from the tenor of Exhibit "1", People's Car, Inc. opted to retain permanent possession of the vehicle after the offer to replace the same expired signifying that it was cancelling the sale, and was accepting possession of the car which is a bar against exaction of the balance of the purchase price (Nonato vs. Intermediate Appellate Court, 140 SCRA 255 [1985]). Hence, if People's Car, Inc., as assignor is barred from demanding payment of the unpaid balance then, a fortiori, BA Finance as assignee, is likewise precluded from recovering against petitioners. D E C I S I O N MELO, J p: The petition for review on certiorari before Us seeks to reverse and set aside the decision of the Court of Appeals dated July 29, 1988 in CA-G.R. CV No. 00721 (Bellosillo, Ordonez-Benitez (P), and Kalalo, JJ.; p. 70, Rollo), which affirmed in toto the decision of Branch 32 of the Regional Trial Court of the National Capital Judicial Region stationed at Manila (p. 35, Rollo). The antecedent facts of the case as gleaned from the records are as follows: On April 20, 1987, the spouses Henry L. Koa and Virginia Koa, now herein petitioners, obtained from People's Car, Inc. a credit of P26,422.20 covering the cost of one Volkswagen Trakbayan de Luxe secured by a promissory note executed by the spouses in favor of People's Car. Inc. The spouses obligated themselves to pay People's Car, Inc. the sum of P26,422.20 inclusive of 14% interest on each unpaid installment to be computed from date of maturity until fully paid, payable on monthly installments of P733.95 starting July 1, 1977 and on the first day of the next 35 months from August 1, 1977 until full payment thereof. It was further stipulated that a penalty charge of P10.00 for every month or fraction thereof shall be paid by the spouses in case an installment due remains unpaid. To secure faithful and prompt compliance of their obligations under the said promissory note, petitioners constituted a chattel mortgage on the aforementioned motor vehicle. Subsequently, on May 27, 1977, People's Car, Inc. assigned the promissory note, together with the chattel mortgage, to BA Finance Corporation. The Koa spouses paid a total of P14.679.00 plus P493.78 representing interests and surcharges to BA Finance Corporation, thereby leaving an unpaid balance of P12,236.98 plus 14% interest plus a penalty charge of P10.00 for every month or fraction thereof starting September 26, 1979 until the entire amount is fully paid. Owing to the failure of petitioners to comply with the terms and conditions of the promissory note for more than 6 months, BA Finance Corporation filed a complaint for "Replevin with Damages" against the spouses before the court of origin. After submitting their Answer, a Third-Party Complaint against People's Car, Inc. was filed by the spouses. Following trial on merits, the lower court rendered its decision. the decretal portion of which reads: "ACCORDINGLY, judgment is hereby rendered in favor of the plaintiff and against defendants Henry L. Koa and Virginia Koa ordering them, jointly and severally, to pay plaintiff 1) P12,236.98 plus 12% interest and a penalty charge of P10.00 for every month or fraction thereof from September 26, 1979 until the whole amount is fully paid and 2) P1,000 as attorney's fees. "The third-party complaint is DISMISSED. "Without pronouncement as to costs. "SO ORDERED." (Rollo, p. 39) Dissatisfied with the decision, the spouses appealed to the Court of Appeals, which, as initially observed, affirmed in toto, the decision of the trial court. The motion for reconsideration filed by the spouses was to no avail, hence, the instant petition for review on certiorari on the basis of the ensuing paraphrased propositions that: a) the Court of Appeals erred in holding that BA Finance Corporation did not assume the obligation of warranty by the People's Car, Inc.; b) respondent court likewise erred in not holding that in surrendering possession of the car to the assignor, petitioners are absolved from paying the balance under the promissory note; c) respondent court erroneously concluded the absence of breach of warranty under the premises. Anent the first ascription, this Court finds the contention of petitioners to be impressed with merit. It is basic under substantive law that when a seller or vendor assigns his credit to another person, the latter is deemed subrogated to the rights as well as to the obligations of the seller. In BA Finance Corporation vs. Court of Appeals (201 SCRA 157 [1991]), BA Finance Corporation was deemed subrogated to the rights and obligations of Supercars, Inc. when the latter assigned the promissory note, together with the chattel mortgage constituted on the motor vehicle in question, in favor of the former. Consequently, BA Finance Corporation was held bound by the terms and conditions of the chattel mortgage executed between the Cuady spouses and Supercars, Inc. Accordingly, an assignee cannot acquire greater rights than those pertaining to the assignor (Gonzales vs. Land Bank of the Phils., 183 SCRA 520 [1990]; Zeyas vs. Luneta Motors, 117 SCRA 726 [1982]; Filinvest vs. Philippine Acetylene Company, 111 SCRA 421 [1982]; Industrial Finance Corporation vs. Ramirez, 77 SCRA 152 [1977]; Industrial Finance Corporation vs. Tobias, 78 SCRA 28 [1977]). Thus, in the case at bar, it is true that BA Finance Corporation, as the assignee of the mortgage lien, obtained the rights, title, and interests of the assignor (People's Car, Inc.) over the aforementioned motor vehicle and the promissory note, but the act of assignment, did not operate to erase liens or restrictions burdening the right assigned (PNB vs. Gen. Acceptance and Finance Corp., et al., 161 SCRA 449 [1988]). The general rule is that an assignee of a non-negotiable chose in action acquires no greater right than what was possessed by his assignor and simply stands into the shoes of the latter (Fidelita Mut. L. Ins. Co. vs. Clark, 203 U.S. 64, 51 L. ed., 91 27 s. Ct. 19' Judson vs. Corcoran, 17 How (US) 612, 156 L. ed. 231). By virtue of the deed of assignment, the assignee is deemed subrogated to the rights and obligations of the assignor and is bound by exactly the same conditions as those which bound the assignor (see Mercantile Ins. Co., Inc. vs. Felipe Ysmael, Jr. & Co., Inc., 169 SCRA 66; BPI Credit Corporation vs. Court of Appeals, 204 SCRA 601 [1991]). Furthermore, Article 1495 of the Civil Code is very explicit that "the vendor is bound to transfer the ownership of and deliver, as well as warrant the thing which is the object of the sale." This clearly shows the responsibilities of the vendor towards the vendee. Since an assignee merely steps into the shoes, so to speak, of an assignor, the assignee shall likewise shoulder all the obligations of a vendor-assignor, including the vendor's warranty. Warranty is a collateral undertaking. Thus, in a sale of personal property it is an express or implied statement of something which a party undertakes and shall be a part of a contract and, though part of the contract, collateral to the express object of it (Mc Cullough vs. Aenlle and Company, 3 Phil. 298 [1904]). As a collateral undertaking, it follows where the principal obligation goes. However, the real issue in the instant petition is, whether or not there was a breach of warranty on the part of People's Car, Inc. and consequently on the part of BA Finance Corporation when the motor vehicle in question was returned to People's Car, Inc. due to alleged "factory defect". It is the contention of petitioners that on February 11, 1978, they received a letter from the People's Car, Inc. informing them that the latter agrees to change the vehicle in question with a new one since the spouses turned over and surrendered the said vehicle to the latter as it was a lemon car and had to be replaced under its warranty (p. 108, Rollo). In support of this contention, petitioners quote the letter, (Exh. "1"), to wit: "This is in reference to your request for a replacement of your TKB Jeepney with Engine No. AU001034 and Chasis No. 2040001011, covered by Sales Invoice No. 35753, dated April 20, 1977. prcd "Please be informed that we are agreeable to the replacement of the above described unit with another TKB of the same model, however, if it will be another model, the trade-in value of your TKB Jeepney will only be P20,000.00 and the price difference shall be paid in cash. This offer will expire in 15 days from date of this letter." On the other hand, private respondent BA Finance Corporation argues that the vehicle in question was turned over and surrendered to the People's Car. Inc. and that private respondent was not a participant in the talks or negotiations for the replacement of the vehicle between petitioners and People's Car, Inc. Apparently, the above transaction was more of an offer for trade-in with an expiry date of fifteen (15) days from the date of the letter, than a transaction to honor warranty. Petitioners failed to state in their letter to People's Car, Inc. that they are returning the vehicle because of factory defects that should be covered under the Warranty. Verily, in response to the third-party complaint filed by herein petitioners against People's Car. Inc., We can deduce that the assignor denied that the car was returned because of any factory defect: "2. It admits in part par. 3 insofar as it offered to replace the motor vehicle bought by the third-party complaint, but denies that the offer by this answering party was made due to factory defects, for the reason that the offer was made because of this party's desire to promote goodwill with its customers." (Answer to the Third-Party Complaint, p. 31, Rollo.) Thus, the Court of Appeals observed that the so-called warranty is non-existent in the case at bar, to wit: "In the above quoted letter, we find no reference to the alleged warranty. Instead, it was just an offer for a possible trade-in agreement. This observation is buttressed by the letter dated February 15, 1978 (Exh. "3") sent by defendant-appellant to People's Car, Inc. which reads: 'Please be informed that I have taken your kind offer today by introducing to you Mr. Jesus Camaro who is interested in buying the new TKB Jeepney intended for any replacement. He has already applied for financing to pay on installments through Mr. Mario Santiago. 'However, should all obligations of Mr. Camaro for financing be declined then as replacement of my above-mentioned TKB Jeepney, I will get from your good office one Candy Apple Red VW 104 Brasilia 4 door sedan with rubber moulding, wood panelling, quartz clock, blower air inlet, and finally carpeted. (emphasis supplied)' The two exhibits (Exhs. 1 and 3) taken together merely elicited the fact that the People's Car, Inc. was only making an offer. This transaction can in no way affect the outstanding obligation of defendants-appellants with plaintiff-appellee."(p. 73, Rollo) In so far as petitioners' so-called pecuniary accountability in favor of private respondent is concerned, We are of the opinion and thus hereby hold that petitioners should be exonerated from paying the balance and legal interest arising from the promissory note because of the legal proscription against unjust enrichment (Article 2142, New Civil Code). In the case at bar, it is an admitted fact that the vehicle was surrendered to People's Car, Inc. even before the action for replevin was filed. Certainly, to require petitioners to effect full payment in the manner arrived at below after they turned over the vehicle to People's Car, Inc. which did not fulfill its avowed promise to provide a replacement therefor, is wholly incongruous, nay, inequitable. Verily, and judging from the tenor of Exhibit "1" (supra, at page 7, Decision), People's Car, Inc. opted to retain permanent possession of the vehicle after the offer to replace the same expired signifying that it was cancelling the sale, and was accepting possession of the car which is a bar against exaction of the balance of the purchase price (Nonato vs. Intermediate Appellate Court, 140 SCRA 255 [1985]). Hence, if People's Car, Inc., as assignor is barred from demanding payment of the unpaid balance then, a fortiori, BA Finance as assignee, is likewise precluded from recovering against petitioners. Concerning the award of attorney's fees, this, too, must be disallowed for want of factual and legal premise in the text of the decisions rendered by the court of origin and the appellate court as well (Central Azucarera de Bais vs. Court of Appeals, 188 SCRA 328; 340 [1990]). WHEREFORE, the petition is hereby GRANTED. The Decision of respondent court dated July 29, 1988, including the Resolution dated September 9, 1988, are hereby SET ASIDE and another one entered DISMISSING the complaint for replevin. SO ORDERED. Feliciano, Bidin, Davide, Jr. and Romero, JJ ., concur. Gutierrez, Jr., J ., is on terminal leave. The Lawphil Project - Arellano Law Foundation Legal Form Note: This is a free sample of a deed of Assignment and Transfer of Rights of a real estate property. You may highlight the whole document - copy & paste on Microsoft Word. The names, dates, addresses and details of this Transfer of Rights Form should be changed to suit the parties in the agreement. Always consult a lawyer before entering a legal contract. KNOW ALL MEN BY THIS PRESENTS: This deed, made and entered into this ___ day of _________, 20__ at the City of Manila, by and between: Juan de la Cruz, Filipino Citizen, of legal age, married to Juanita de la Cruz with residence and postal address at 1234 Oak Lane, Standard Subdivision, Quezon City, hereinafter referred to as the "ASSIGNOR" -and- Pedro San Juan, Filipino Citizen, of legal age, married to Patricia San Juan with residence and postal address at 123A Somerville Plaza Tower, 5678 Mahogany Avenue, Manila, hereinafter referred to as the "ASSIGNEE". WITNESSETH that - WHEREAS the ASSIGNOR is the buyer of a 2-bedroom unit, located at 18C, Grand Towers Condominium, 234 Taft Avenue, Manila, with an area of SEVENTY EIGHT (78) SQUARE METERS more or less, covered by Condominium Certificate Title No. 98765 of the register of Deeds of Manila, registered in the name of the Bank of the Philippine Islands.; WHEREAS, the ASSIGNOR has offered to assign all his rights, title and interest over the above unit, as referred in said Contract to Sell and the ASSIGNEE hereby accepts the assignment in accordance with the terms herein set forth; NOW, THEREFORE, for and in consideration of the foregoing premises and the sum of ONE MILLION PESOS (1,000,000.00), PHILIPPINE CURRENCY, which the ASSIGNOR hereby acknowledged to have received from the ASSIGNEE, the ASSIGNOR hereby assigns, transfers and conveys unto the ASSIGNEE, all his rights, title and interest to the aforementioned property and and appurtenant interest in the Condominium project pursuant to this Agreement and the ASSIGNEE by these presents hereby accepts the assignment and agrees to be bound by the terms and conditions of the Contract to Sell and the rules and regulations, and restrictions pertaining to the said unit. IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place first above written. ______________________ ______________________ (Juan de la Cruz) (Pedro San Juan) ASSIGNOR ASSIGNEE Signed in the presence of: ______________________ ______________________ ACKNOWLEDGEMENT Republic of the Philippines) ______________________) S.S BEFORE ME, a notary for and in the City of Manila, personally appeared: Name CTC Number Date/Place Issued (Juan de la Cruz) 00000000 January 15, 20__ / Laguna (Pedro San Juan) 00000000 January 21, 20__ / Manila known to me and to me known to be the same persons who executed the foregoing Deed of Assignment and transfer of Rights and acknowledged to me that the same is their free and voluntary act and deed. WITNESS MY HAND AND SEAL, on the date and place first above written. Notary Public Doc. No.______; Page No. ______; Book No.______; Series of 20____. Posted date: September 11, 2020 Tweet RealSpeak is a series of informative blog posts that aims to broaden the knowledge of its readers – particularly the general public – regarding real estate matters. ASSIGNMENT, DEED In real estate, you will often hear the term “Deed of Assignment.” What does it mean, and what are the circumstances for it to arise? Let’s take a look at the legal definition of assignment and deed: Assignment – The transfer of property or right and obligations over it in favor of another (The one who assigns or transfers a property is called ASSIGNOR while those to whom the property is assigned are called ASSIGNS or ASSIGNEES).1 Deed – A written instrument which, when properly executed and delivered, conveys title.2 Basically, a Deed of Assignment is a document that states the transfer of property or rights and obligations from one person to another. The persons may be natural (individual) or legal (e.g. a private or public organization) persons. To illustrate, a good example is when an individual (assignor) – who has bought a condominium unit during preselling period (prior to construction) – decides to sell the property prior to the completion of the building and turnover of the unit. Usually, there is a balance that needs to be paid during turnover. If the balance has not yet been paid and the individual finds a new buyer for the property, the obligation to pay the turnover balance will be transferred (assigned) to the new buyer (assignee). The developer of the condominium – if they allow such a process – will then produce the Deed of Assignment as proof of the transfer of ownership and obligation to pay. You may ask: What’s the reason for selling prior to turnover? The individual bought the property to live in it, right? The great thing about real estate property is you can buy it not just for residence, but also for investment. During preselling period, buyers are given a discount to acquire the properties that have yet to be constructed. During the course of construction, the value of the properties also appreciate. Often, when an individual decides to sell prior to turnover, s/he will be able to sell it at a price where s/he can recover all the costs paid prior to turnover AND earn from the sale as well due to value appreciation. That is one way of how real estate acquisition becomes a form of investment. Interested in trying it out? Don’t hesitate to let us know, as we will assist you in finding the right real estate investment for you! We are accredited with several developers with preselling projects that you may find enticing to invest in! Footnotes: 1 Urban institute of Real Estate and Construction, Comprehensive Notes and Reviewer, Terminology: C-1 2 ibid. The information contained in this site is provided for informational purposes only, and should not be construed as legal advice on any subject matter. You should not act or refrain from acting on the basis of any content included in this site without seeking legal or other professional advice. Copyright © 2019 Legal Tree 100%(1)100% found this document useful (1 vote)3K viewsThis 3 sentence summary provides the key details from the Deed of Assignment document: The document assigns shares of stock from an Assignor to an Assignee. It details the number of shares ...SaveSave Deed of Assignment Sample - Philippines For Later100%100% found this document useful, undefined Copyright © 2019 Legal Tree Copyright © 2019 Legal Tree Republic of the PhilippinesSUPREME COURTManila G.R. No. 84220 March 25, 1992 BENJAMIN RODRIGUEZ, petitioner, vs. COURT OF APPEALS, and HADJI ESMAYATEN LUCMAN, respondents. GUTIERREZ, JR., J.: This is a petition for review on certiorari of the decision of the Court of Appeals affirming a decision of the trial court which allowed Hadji Esmayaten Lucman as assignee to collect from Benjamin Uy Rodriguez, an indebtedness owed to the assignor, a Hongkong corporation. The antecedent facts of the case are as follows: Petitioner Rodriguez alias Uy Tian Kiu is a businessman from Cebu City whose business, includes the importation of various commodities from Hongkong which he occasionally ordered from Allied Overseas Commercial Co., Ltd., a Hongkong corporation. The Managing Director of Allied Overseas Commercial Co., Ltd. is Lin Ping Huang, a close friend of private respondent Lucman. Petitioner Rodriguez, as a result of business transactions with the Hongkong Corporation, accumulated an indebtedness owed to Allied Overseas in the amount of HK $418,729.60 which had at that time in 1968 an exchange value of P540,553.00. Upon demand for payment by the Hongkong Corporation, the petitioner issued a pay-to-cash check dated September 11, 1970 covering the indebtedness. The check was, however, dishonored for lack of funds, the account having been closed two months earlier. Subsequently, the Allied Overseas Commercial Co., Ltd., through its Managing Director, Lin Ping Huang, assigned its credit to the private respondent. The contract was evidenced by a Deed of Assignment (Exhs. "B-2" and "B-3") duly executed before Philippine Consular officials in Hongkong. It reads: That WE, the ALLIED OVERSEAS COMMERCIAL CO., LTD., a commercial association duly organized and registered in the company's registry of the Crown Colony of Hongkong with offices at No. 5-7 Des Voeux Road, West, 1st Floor, Hongkong, represented in this instance by its Managing Director duly authorized by a Board resolution, for and in consideration of HK$ 1 and other valuable considerations, have on this date assigned, ceded, transferred and conveyed by way of irrevocable assignment and transferred to Hadji Esmayaten Lucman, Esq., of legal age, Filipino citizen, and a resident of No. 95-I, A. Lake St., San Juan, Province of Rizal, Republic of the Philippines, our outstanding and collectible credit due and owing us by and from Benjamin Uy Rodriguez alias Uy Tian Kiu of Cebu City, Republic of the Philippines, in the total amount of HK$ 418,729.60 or its equivalent in the Philippine Currency, for said Hadji Esmayaten Lucman to collect and secure from the aforesaid debtor, Benjamin Uy Rodriguez alias Uy Tian Kiu the aforesaid amount in any manner, including court proceedings if necessary, in accordance with the provisions of existing laws in the jurisdiction of the Republic of the Philippines. We, as creditors assignors of the aforesaid debt, have on this date notified formally the debtor named herein of this full assignment of the aforesaid credit. (Orig. record, p. 11) The assignee filed an action to collect the indebtedness. On March 4, 1985, the trial court rendered a decision in favor of the private respondent. The dispositive portion of the Decision reads: WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against defendant, sentencing the latter to pay the former the following sums: (a) P450,553.00 representing defendant's outstanding account to plaintiff's assignor, with interest thereon at twelve per cent (12%) per annum from the time of the filing of the complaint on February 4, 1971 until fully paid: (b) P500,000.00 as actual damages; (c) P100,000.00 as moral damages; (d) The further sum equivalent to ten (10%) per cent of all the foregoing sums as attorney's fees and costs of litigation. Costs against the defendant. SO ORDERED. (pp. 142-143, Orig. Rec.) Benjamin Rodriguez appealed the decision to the Court of Appeals and assigned the following as errors committed by the trial court: 1 Plaintiff is not the real party-in-interest and is therefore, without legal capacity to sue; 2 The obligation does not exist or has not been sufficiently proven to exist; 3 Venue is improperly laid. After carefully evaluating the evidence presented by the parties, the Court of Appeals rendered the questioned decision dismissing the appeal for lack of merit. Benjamin Rodriguez filed a motion for reconsideration which was denied by the appellate court which stated that the arguments submitted in support of the motion were a mere rehash of the arguments in the Appellant's Brief. The petitioner is now before us questioning the decision of the Court of Appeals. He specifically relies on the following as bases for his petition: I. That the judgment in the criminal case cannot be given in evidence in the civil action. II. That the decision of the Court of Appeals is not in accord with Article 1301 of the New Civil Code which requires consent to subrogation; and III. That the award of damages is excessive. We find the petition devoid of merit. The petitioner alleges that the only evidence presented by private respondent was the decision of the Court of Appeals in the case of People v. Lucman (CA G.R. No. 21365-CR) for falsification of commercial document. The case was filed by the petitioner before the Regional Trial Court of Cebu while the civil case filed by Lucman in the Regional Trial Court of Pasig was in progress. The Regional Trial Court of Cebu convicted Lucman but on appeal, the Court of Appeals acquitted him on the basis of its finding that complainant Rodriguez had indeed an unpaid balance which was sufficiently established by evidence. The decision in the criminal case was only one of the pieces of evidence relied upon by the respondent court. The petitioner is giving undue weight to this particular item. It is clear from the records, both testimonial and documentary that the obligation exists. The documents, all testified to by private respondent Lucman as well as other witnesses had sufficiently proven that Rodriguez had an unpaid balance from previous transaction with Allied Overseas Commercial Co., Ltd. which arose from the importation of the 800 bales of Hessian sacks. The unpaid balance was evidenced by a record of transactions between Allied Overseas Co., Ltd. and Ben Rodriguez. The statement of account was sent to the petitioner on September 30, 1968 and the receipt portion was duly signed by him and returned. (Exh. "E-3" and "E-3A") If the importation was made in the name of Madipo Mercantile this was pursuant to the petitioner's request that his importations be carried out in the names of different companies. This explains the shipment made to Madipo, a business firm owned by Wilfredo Tiu, a brother-in-law of Rodriguez. However, the exchange of cables regarding the importation clearly indicates that Rodriguez was the real importer (Exh. "L", "M", "M-1", "M-2", and "M-3") The authenticity of the above cable communications has not been impugned by the petitioner. Lucman also took the witness stand and identified numerous documents consisting of Purchase Orders, Bills of Lading, Delivery Receipts, and other evidences of the purchase of a barge and other goods by the petitioner from Allied Overseas Commercial Co., Ltd. Hueng Huan Yuen Sabio, Assistant to the General Manager and in-charge of shipping of Allied Overseas Commercial Co., Ltd., further testified to the same transactions. We have no doubt from the records that the obligation actually existed. Anent petitioner's second point, we find no merit in his contention that there was subrogation instead of an assignment of credit. The basis of the complaint is not a deed of subrogation but an assignment of credit whereby the private respondent became the owner, not the subrogee of the credit since the assignment was supported by HK$ 1.00 and other valuable considerations. The case is one of the assignment of credit and not subrogation. In subrogation, the third party pays the obligation of the debtor to the creditor with the latter's consent. As a consequence, the paying third party steps into the shoes of the original creditor as subrogee of the latter. An assignment of credit, on the other hand, is the process of transferring the right of the assignor to the assignee who would then have the right to proceed against the debtor. The assignment may be done either gratuitously or onerously, in which case, the assignment has an effect similar to that of a sale (p. 235, Civil Code of the Philippines, Annotated, Vol. V, Paras, 1982 ed.; Nyco Sales Corp. vs. BA Finance Corp., G.R. No. 71694, August 16, 1991). The petitioner further contends that the consent of the debtor is essential to the subrogation. Since there was no consent on his part, then he allegedly is not bound. Again, we find for the respondent. The questioned deed of assignment is neither one of the subrogation nor a power of attorney as the petitioner alleges. The deed of assignment clearly states that the private respondent became an assignee and, therefore, he became the only party entitled to collect the indebtedness. As a result of the Deed of Assignment, the plaintiff acquired all rights of the assignor including the right to sue in his own name as the legal assignee. Moreover, in assignment, the debtor's consent is not essential for the validity of the assignment (Art. 1624 in relation to Art. 1475, Civil Code), his knowledge thereof affecting only the validity of the payment he might make (Article 1626, Civil Code). Article 1626 also shows that payment of an obligation which is already existing does not depend on the consent of the debtor. It, in effect, mandates that such payment of the existing obligation shall already be made to the new creditor from the time the debtor acquires knowledge of the assignment of the obligation. The law is clear that the debtor had the obligation to pay and should have paid from the date of notice whether or not he consented. We have ruled in Sison & Sison v. Yap Tico and Avanceña, 37 Phil. 587 [1918] that definitely, consent is not necessary in order that assignment may fully produce legal effects. Hence, the duty to pay does not depend on the consent of the debtor. Otherwise, all creditors would be prevented from assigning their credits because of the possibility of the debtors' refusal to give consent. What the law requires in an assignment of credit is not the consent of the debtor but merely notice to him. A creditor may, therefore, validly assign his credit and its accessories without the debtor's consent (National Investment and Development Co. v. De los Angeles, 40 SCRA 489 [1971]). The purpose of the notice is only to inform the debtor that from the date of the assignment, payment should be made to the assignee and not to the original creditor. The fact that the deed of assignment empowered the assignee to collect the credit originally owing to the foreign corporation does not make the assignee a mere attorney-in-fact. The case of Ngo Tian Tian Tek and Ngo Hay v. Philippine Education Co., 78 Phil. 271 [1947] is in point: When a chose, capable of legal assignment is assigned absolutely to one, but the assignment is made for purpose of collection, the legal title thereto vests, in the assignee, and it is no concern of the debtor that the equitable title is in another and payment to the assignee discharges the debtor. The petitioner further assails the consideration given for the deed of assignment which is stated as "HK$ 1.00 and other valuable considerations." A valuable considerations, however small or nominal if given or stipulated in good faith is, in the absence of fraud, sufficient. A stipulation in consideration of $1 is just as effectual and valuable a consideration as a larger sum stipulated for or paid (Penaco v. Ruaya, 110 SCRA 46 [1981]; Ascalon vs. Court of Appeals, 158 SCRA 542, [1988]). It is not clear what considerations led to the assignment but they must have been sufficiently valuable to the assignor in view of the amount involved. Hence, by virtue of the deed of assignment whose existence and legality remains unrebutted, the respondent acquired all the rights of the assignor including the right to sue in his own name as the legal assignee. The contract was not executed merely to enable the foreign corporation to sue in the Philippines because even without the assignment, the foreign corporation can also sue in the Philippines for isolated transactions even if not licensed to engage in business in this country. Lastly, the petitioner asserts that the award of damages was excessive there being no finding to justify the amounts. We find the amounts equitable except for the award of P500,000.00 as actual damages in addition to the P450,553.00 indebtedness. The records do not contain the factual basis for such an award. Thus, we agree with the petitioner that it is not justifiable to award that amount. All premises considered, we find for the private respondent. We should also add that the case has dragged on 21 years since its filing with the then Court of First Instance of Pasig, Rizal on February 4, 1971, due to the numerous dilatory tactics of the petitioner. The delay has obviously created an injustice on the part of private respondent not fully compensated by the payment of interests. Furthermore, it is well-settled that the jurisdiction of the Supreme Court is confined to a review of questions of law, except where the findings of facts of the appellate court are not supported by the record or are so glaringly erroneous as to constitute a serious abuse of discretion. (Cañete v. Court of Appeals, 171 SCRA 13 [1989]). The findings of the fact of the trial court being adequately supported by documentary as well as testimonial evidence and affirmed by the Court of Appeals, are conclusive on the Supreme Court unless they fall within a few well-defined exceptions. No such exception is shown in this case. ACCORDINGLY, the petition is hereby DISMISSED. The decision of the Court of Appeals dated October 22, 1987 and its resolution dated June 16, 1988 are AFFIRMED with the modification that the award of additional actual damages in the amount of P500,000.00 is deleted. SO ORDERED. Bidin and Romero, JJ., concur. Davide, Jr., J., took no part. Feliciano, J., is on leave. The Lawphil Project - Arellano Law Foundation DEED OF ASSIGNMENT (DOA) A Deed of Assignment is a legal document in which one party (assignor) formally assigns specific rights, interests, or responsibilities to another person (assignee). DOAs are often used in a variety of contexts, including real estate sales, contractual rights assignments, debt assignments, intellectual property transfers, and more. A DOA normally necessitates a formal contract outlining the terms and conditions of the assignment, including the persons involved, the rights being transferred, any compensation (money or value exchanged), and other pertinent elements. Depending on the nature of the rights being assigned, a DOA may require notarization or registration with the proper government body in order to be legally enforceable. TRANSFER OF RIGHTS A Transfer of Rights is a wider term that incorporates many methods of transferring rights from one party to another. It can include assignments, conveyances, endorsements, and other types of rights transfers. Transfer of Rights can be utilized in a variety of circumstances, including contracts, real estate transactions, inheritance, and legal settlements. The formalization of a Transfer of Rights can differ depending on the circumstances and the type of rights being transferred. Contracts, deeds, endorsements, and court orders are examples of legal papers. The legal requirements for a Transfer of Rights are determined by the nature of the transaction and the rights being transferred. Some transactions may need to be notarized or registered, while others may not. Difference between deed of Assignment and Transfer of Rights In summary, a Deed of Assignment is a sort of legal document that is often used for various transactions to transfer specific rights, interests, or responsibilities from one party to another. Transfer of Rights, on the other hand, is a broader notion that incorporates several techniques of transferring rights and can be applied in a wide range of legal and financial scenarios. DOAs and rights transfers may both require legal procedures to assure their legitimacy and enforceability. Difference between Deed of Sale and Deed of Assignment A deed of sale is a contract entered into by the parties where the property shall be transferred by the seller to the buyer subject upon the payment of the purchase price. What is being transferred during the sale is not just the property itself, but the ownership, possession, usage, and rights to the property therein. While a deed of sale is evidence of the transfer of the property from the seller to the buyer, the deed of sale also has another purpose. It also serves as a notice to those who wish to buy the property that the ownership and rights to the property have now gone from the original owner to the current owner of the property. When the sale is deemed as absolute, it means that there are no other conditions to the sale, only the payment of the purchase price indicated in the deed of sale. A deed of assignment, on the other hand, is a contract entered into by parties, wherein by way of assignment, the assignor transfers property ownership to the assignee. In assignment, the rights of the assignor are being transferred to the assignee. The obligations of the assignor are likewise being transferred to the assignee. In effect, the assignor no longer is a part of the original contract as he or she is being replaced by the assignee. Note that for the assignment to be valid, there must be an agreement or consent by the original parties to the contract that an assignment shall be taking place. What happens when one Transfers Rights? When one transfers rights, one does not necessarily totally relinquish all of his rights over the property being transferred to another. When there are concerns with the completeness or clarity of a property’s title, this can be used. In such instances, a DOA can assist with addressing and resolving these concerns by formally transferring any transferable rights or interests. For example, if the title is indistinct. If there are ambiguities, disagreements, or conflicting claims regarding a property’s ownership or rights, a DOA may be used to transfer any legal, clear, and indisputable rights to another party. This can help to clarify ownership and possibly settle title concerns. Another example is when a DOA can be used to transfer any existing rights that are backed by available documentation when some required documents for a complete property title are missing or unavailable. If a property has multiple co-owners or partial owners, a DOA can be used to transfer the interests of the other co-owners to the desired owner(s). Another situation is that when the existing title documentation contains errors or inconsistencies, a DOA can be used to fix these issues by transferring the correct and exact rights to the appropriate parties. When someone transfers rights to another party, they do not necessarily relinquish all rights to the property or subject matter being transferred. The amount of the transfer and the precise rights involved can vary greatly depending on the wording of the transfer agreement and the parties’ intentions. Many times when rights are transferred, the transferor (the party transferring the rights) retains some rights or interests while handing particular rights to the transferee (the party receiving the rights). This provides for more flexible arrangements that may be adjusted to both parties’ requirements and aims. The rights, ownership, and possession of the property depends upon what kind of transfer of rights was done. There are instances when one transfers rights wherein the usage and possession of the property shall be with the other, however the owner shall retain the ownership of the property. Some of the ways where one may transfer rights are through will, gifts, donation, sale, and deed. A transfer through deed requires formalities indicated in an instrument, stipulating the necessary information and signatories therein. Need further information and assistance regarding the difference of transfer or rights and deed of sale or deed of assignment in the Philippines? Talk to our team at FILEDOCSPHIL to know more about the requirements and process. Call us today at (+632) 8478 5826 or send an email to info@filedocsphil.com for more information. Copyright © 2019 Legal Tree Level Source Sample Instruments Notes 1 Constitution Bill of Rights provisions on property (Art III), non-impairment of contracts (Art III §10) Paramount law; contracts & private instruments are void when they contravene it. 2 Statutes Civil Code, Notarial Practice Act of 2004, Local Government Code, Corporation Code, Securities Regulation Code, Property Registration Decree Provide the enabling rules for SPAs and Deeds of Assignment. 3 Regulations & Circulars Supreme Court A.M. No. 02-8-13-SC (2004 Notarial Rules), SEC Memorandum Circulars on assignment of receivables, BIR revenue regs on tax implications Flesh out procedural details and obligations (stamp taxes, notarial fees, etc.). 4 Judicial Decisions Spouses Abella v. Spouses Abella (G.R. 146375, 2004) on validity of SPA; Rural Bank of Davao City v. CA (G.R. 161913, 2010) on assignment of credits Interpret statutes; constitute part of the legal system (Art. 8 Civil Code). 5 Private Instruments Special Power of Attorney; Deed of Assignment; contracts, promissory notes, etc. Binding only upon parties & successors, except when notarized/registered, which gives them public character and notice to third parties. Key point: Both an SPA and a Deed of Assignment occupy the same fifth-level rung; neither trumps the other by mere label. Priority depends on (a) notarization/registration, (b) date of execution, (c) good-faith reliance, and (d) statutory special requirements (e.g., Art. 1625 on notice to obligor for assignments). 2. Special Power of Attorney (SPA) Aspect Description Nature A written, specific mandate whereby a principal authorizes an agent to do particular acts on the principal’s behalf. Statutory basis Arts. 1868–1890 & Art. 1878 (enumerating acts requiring “special power”) of the Civil Code. Form Written; notarization is essential if the act to be performed must appear in a public instrument (e.g., sale of real property, loan secured by mortgage). Scope Limited to the exact powers granted; courts apply expressio unius est exclusio alterius. Typical uses Sale or mortgage of specific land/condo unit; opening/closing a bank account; litigation authority to settle; borrowing money above ₱O.D. threshold; incorporation formalities. Registration If the SPA deals with real property, file with the Registry of Deeds (Sec. 112, PD 1529) so it may be annotated on the title. Revocation Freely revocable by the principal before the agent binds him to a third party (Arts. 1920, 1924 CC), except when coupled with an interest. Must use another notarized instrument and, to bind third parties in good faith, notice must be given. Evidentiary weight Notarized SPA is a public document (Rule 132, §20 Rules of Court); admissible without proof of authenticity. A private SPA needs to be authenticated. 3. Deed of Assignment Aspect Description Nature A conveyance whereby an assignor transfers to an assignee ownership of, or beneficial rights to, a property, credit, leasehold, intellectual-property right, or contractual position. Operates as a contract of cession (credits) or as a conveyance (personal/real property). Statutory basis Arts. 1624–1635 (assignment of credits), Arts. 1300-1304 (cession), PD 1529 §71 (assignment of real property), IP Code for IP assignments, Corp. Code §42 (assignment of shares), Securities Regulation Code §53 (asset-backed securitization). Form Written for validity; notarization strongly advised so the document becomes a public instrument, mandatory if the property assigned is real or the assignment is to be recorded in registries (Intellectual Property Office, Land Registration Authority, SEC). Effectivity vis-à-vis third parties (1) Date of deed determines priority as between multiple assignees (Arts. 1626–1627). (2) Notice or acceptance by the debtor/obligor is indispensable to bind the obligor (Art. 1626). Registration – Real property: Register with Registry of Deeds. – IP rights: Record with Intellectual Property Office. – Receivables backing securities: Notify SEC; annotate on borrowers’ chattel mortgages if any. Tax & fees DST on assignment of credit (Sec. 191 DST Code), CGT or VAT on assignment of real/personal property as applicable. Revocability Generally irrevocable once perfected, unless parties insert a condition subsequent or there is fraud/illegality. 4. Why Compare? — Common Scenarios Scenario Document Normally Used Why You need someone to sell your condo abroad SPA Acts of strict agency; title remains with principal until sale. A bank buys a portfolio of consumer loans from a fintech Deed of Assignment Ownership of receivables is transferred en masse; no agency. Startup founder wants co-founder to sign contracts on her behalf for 6 months SPA Delegation of personal authority, revocable. Parent assigns royalty income from a song to a child Deed of Assignment Permanent conveyance of right to future royalties. Mortgage lender demands written authority from overseas borrower’s spouse to sign mortgage SPA (Art. 1878 ¶g) Special power required to bind conjugal property. 5. Hierarchy & Priority Between the Two Label is not determinative. Courts look at contents (Art. 1375 CC). Public vs. private instrument. A notarized Deed of Assignment may prevail over a private SPA executed earlier, if third parties rely in good faith on the notarized deed. Registration/annotation. Between two notarized documents affecting the same real property, the one first registered takes priority (PD 1529 §53: “Prior tempore, potior jure”). Agency vs. conveyance of title. If the agent under an SPA conveys the property to A, but prior thereto the principal had already assigned it to B via a Deed of Assignment (and B had notified the debtor/registered the deed), B’s title is superior; the agent could have nothing more to convey than what remained with the principal (nemo dat quod non habet). Good-faith protection (Art. 1397, Torrens System). A buyer/assignee in good faith relying on a clean title and a duly annotated SPA may be protected even if the SPA is later revoked without notice, but malice or unregistered adverse claims defeat that protection. 6. Formal Requirements Checklist Requirement SPA Deed of Assignment Written form Yes (Art. 1874 if real property) Yes (Art. 1624) Notarization De facto required if underlying act requires public instrument or to confer public character Strongly advised; mandatory if registrable property Specific authority / description Must specify each act (Art. 1878) Must describe property/credit and consideration Acceptance/consent of third party Not needed (agency is between principal & agent) Debtor/obligor must be notified or accept to bind him (Art. 1626) Registration Optional except for real property or trust dealings Required for real/IP property or SEC-regulated assignments Documentary stamps ₱100 for each SPA (Sec. 195 DST) 0.5% of consideration on assignment of credits; CGT/VAT rules for property Revocation filing File notarized revocation; annotate at registry if SPA earlier annotated Not applicable (binding conveyance) 7. Drafting & Practice Tips Use precise verbs. “Sell,” “mortgage,” “lease,” “assign,” “endorse”; avoid “dispose of” unless you intend full breadth. Insert safeguards. Requiring counter-signature, board resolutions, or dual consulship can mitigate unauthorized acts. Embed a “coupled with an interest” clause when the agent has advanced funds; this limits unilateral revocation (Art. 1927). Always include a dating clause and sign on every page; pagination mismatches are a red flag in notarization audits. For assignments of receivables, annex the schedule of accounts and require the assignor to deliver original promissory notes (for transfer of possession under the Negotiable Instruments Law). Tax clearances. Obtain BIR CAR for assignments of real property or shares to avoid later registration blockage. Cross-check marital consent. Conjugal or community property dispositions need written spousal consent (Family Code § 96). Record revocations of SPAs with the same notary/registry to give constructive notice; many fraud cases hinge on outdated SPAs still circulating. 8. Common Pitfalls Blank-space notarization. Invalidates the document; disciplinary action vs. notary. Foreign-executed SPA without apostille/authentication. Unenforceable until consularized or apostilled and then re-notarized locally. Assignments intended as mortgages. Substance over form: courts treat a so-called “absolute deed” as an equitable mortgage if loan factors exist (Spouses Abella). Failure to notify the debtor. Debtor who pays the assignor in good faith is discharged (Art. 1626). Undated SPA. Barred from registration; easily challenged for fraud. Using a general SPA for acts requiring special authority. Sale of realty, compromise, partition, or making gifts are void without specific authority (Art. 1878). 9. Frequently-Asked Questions Q A Can a Deed of Assignment substitute for an SPA? Only if the true intent is to transfer the asset outright. If the plan is for another person merely to act in your name, use an SPA. Which is stronger in court, an SPA or a Deed of Assignment? Neither inherently; whichever is (a) notarized, (b) earlier, (c) registered/annotated, and (d) relied on in good faith usually prevails. May one document combine both? Yes, e.g., “I assign to Bank X my receivables and authorize Bank X to collect them.” Courts look at substance; dual nature is permissible. How long is an SPA valid? Until expressly revoked, until the principal (or agent) dies or becomes incapacitated, or until its stated expiry. If coupled with an interest, it may survive the principal’s death. Is BIR DST due on an SPA used abroad? DST is due if the SPA will be used in the Philippines or affects property here; otherwise, it can be stamped “For use abroad only” and may be exempt. 10. Conclusion In Philippine practice, a Special Power of Attorney is essentially delegated authority while a Deed of Assignment is a transfer of ownership or rights. They share the same plane in the hierarchy of private documents, but priority—and therefore legal safety—depends on meticulous compliance with form, notarization, registration, and notice. Understanding the statutory hooks (particularly Civil Code Arts. 1624-1635 and 1868-1890) and procedural overlays (Notarial Rules, PD 1529, revenue regulations) ensures that either instrument fulfills its role without exposing the parties to avoidable disputes. Disclaimer: This content is not legal advice and may involve AI assistance. Information may be inaccurate. Share — copy and redistribute the material in any medium or format for any purpose, even commercially. Adapt — remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms. 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