

Title:

SPS. PEBLIA ALFARO AND PROSPEROUS ALFARO vs. HON. COURT OF APPEALS, SPS. OLEGARIO P. BAGANO AND CECILIA C. BAGANO

Facts:

This case involves the Spouses Peblia and Prosperous Alfaro (Petitioners) contesting the decision of the Court of Appeals that favored the Spouses Olegario and Cecilia Bagano (Respondents). The dispute centers around the nullification of a Deed of Absolute Sale due to alleged forgery.

The series of events began when the Respondents filed a complaint for the Declaration of Nullity of Sale with Damages and Preliminary Injunction against the Petitioners. The Respondents alleged that they were the previous owners of a parcel of land which, through a forged Deed of Absolute Sale dated 14 June 1995, was transferred to the Petitioners without their consent. The petitioners countered, claiming a legitimate sale.

Evidence presented by the Respondents included a testimony and report from a handwriting expert, Romeo Varona, who initially confirmed the forgery in the Deed. However, upon examination of additional documents presented by the Petitioners, Varona gave a contradictory opinion, stating that the signatures were genuine.

The Regional Trial Court (RTC) dismissed the complaint, finding in favor of the Petitioners and noting the alleged retraction by Varona. This decision was reversed by the Court of Appeals, invalidating the Deed of Absolute Sale and reinstating the original title to the Respondents. The Petitioners, in turn, appealed to the Supreme Court, challenging the appellate court's findings.

Issues:

1. Whether the signatures of the Respondents on the Deed of Absolute Sale were forged.
2. The applicability of presumptions of regularity and validity to notarized documents in the face of allegations of forgery.
3. The credibility and admissibility of expert testimony in proving or disproving forgery.

Court's Decision:

The Supreme Court granted the petition, set aside the decision of the Court of Appeals, and reinstated the RTC's decision. The Court held that the evidence of forgery was not substantial enough to overcome the presumption of validity and regularity conferred upon a notarized document. The Court found Varona's testimony inconclusive due to conflicting

findings on documents presumed to be originals of the same deed. As forgery cannot be presumed and must be proved by clear, positive, and convincing evidence, which the Respondents failed to provide, the Deed of Absolute Sale remains valid.

Doctrine:

In the Philippine legal system, a notarized document enjoys a presumption of regularity and validity. Forgeries must be proven with clear, positive, and convincing evidence. The conflicting testimony of an expert witness, especially regarding documents presumed to be originals, cannot by itself sufficiently disprove the validity of a notarized document.

Class Notes:

- The importance of notarization: It confers upon a document a presumption of regularity and validity.
- Burden of Proof in Forgery Cases: The burden lies on the party alleging forgery to prove it with clear, positive, and convincing evidence.
- Expert Witness Testimony: While useful, it is not indispensable, and inconsistencies in expert testimony may not suffice to prove forgery.
- Presumptions and Evidentiary Standards: Legal presumptions, such as those favoring notarized documents, play a crucial role in legal proceedings and the party challenging such presumption bears a significant burden of proof.

Historical Context:

This case reflects the judiciary's approach to disputes involving allegations of forgery in transactions documented through notarized deeds. It highlights the weight and effect of notarization in Philippine legal practice, along with the emphasis on substantial evidence in overturning presumptions of regularity in notarized documents.