

****Title:**** Arakor Construction and Development Corporation vs. Teresita G. Sta. Maria, et al.

****Facts:**** The case revolves around the contestation of five parcels of land in Hermosa, Bataan, Philippines. The lands were initially owned by Spouses Fernando Gaddi, Sr. and Felicidad Nicdao Gaddi. Upon Felicidad's death in 1985 and later Fernando Sr.'s in 1996, their heirs discovered that the lands were allegedly sold to Arakor Construction and Development Corporation (Arakor) through dubious Deeds of Absolute Sale allegedly signed by the deceased Felicidad and Fernando Sr. Disputing the sale's authenticity and alleging forgery, the Gaddi heirs (respondents) filed a Complaint for Annulment of Deed of Absolute Sale and Transfer Certificates of Title against Arakor in the Regional Trial Court (RTC) of Dinalupihan, Bataan. The RTC ruled in favor of the Gaddis, a decision subsequently affirmed by the Court of Appeals. Arakor sought recourse from the Supreme Court (SC), arguing issues around the validity of the sale, ownership, and acquisition of the properties.

****Issues:****

1. Whether the Deeds of Absolute Sale were valid considering the allegation of forged signatures.
2. The impact of waivers signed by the Gaddi heirs on the ownership and authority to sell the properties.
3. Whether Arakor was a purchaser in good faith and for value.

****Court's Decision:**** The Supreme Court denied Arakor's petition, affirming the decisions of the lower court and the Court of Appeals. It was found that the Deeds of Absolute Sale were null and void due to the forged signatures of Felicidad, who had predeceased the sale. The waivers executed by the heirs in favor of Fernando Sr. did not conclusively relinquish their rights to the properties, nor did they validate the sale. Arakor, represented by Atty. Greli Legaspi, failed to exercise the necessary diligence required of a buyer in good faith, particularly in verifying the capacity to sell of the apparent sellers, Fernando Sr., and Efren, especially in light of Felicidad's death. Therefore, Arakor did not acquire legal title over the contested land parcels.

****Doctrine:**** A sale involving property of deceased individuals represented by forged signatures is null and void. The principle of *nemo dat quod non habet* applies, indicating one cannot give what one does not possess. The inexistence of a contract due to forgery or fraud does not prescribe, and actions to declare such inexistence are imprescriptible.

****Class Notes:****

- ****Forgery and Contract Validity:**** The existence of a contract requires the consent of the parties involved. If a party's alleged consent is obtained through forgery, the contract is null and void.
- ****Due Diligence in Property Transactions:**** Purchasers must exercise due diligence not only in verifying the title but also in investigating the seller's authority and capacity to sell, especially in transactions involving deceased persons' properties.
- ****Imprescriptibility of Actions for Null and Void Contracts:**** The action to declare the nullity of a contract based on forgery does not prescribe.
- ****Doctrine of Nemo Dat Quod Non Habet:**** One cannot transfer a right to another if one does not possess such a right.

****Historical Background:**** This case underscores the importance of authenticity and due diligence in property transactions, reflecting the intricacies of property law in the Philippines, especially concerning the rights of heirs and the responsibilities of buyers to verify the legitimacy of property sales. It emphasizes the legal protection against fraudulent transactions and the perpetuity of the right to challenge such transactions when they involve forged documents.