

****Title**:** Diampoc vs. Buenaventura, Supreme Court of the Philippines, G.R. No. 199613 (2018)

****Facts**:**

In July 2004, Norma M. Diampoc and her husband Wilbur L. Diampoc (the Diampocs) filed a complaint against Jessie Buenaventura and the Registry of Deeds for the Province of Rizal. They sought the annulment of a deed of sale and recovery of the duplicate original of their property title, alleging fraud and deceit by Buenaventura.

1. The Diampocs owned a 174-square meter parcel in Taguig City covered by TCT No. 25044.
2. They had a friendship with Buenaventura, who requested to borrow the owner's copy of TCT No. 25044 as security for a P1 million loan.
3. The Diampocs agreed, with the condition that Buenaventura would not sell the property and would give them P300,000.00 from the loan proceeds.
4. On July 2, 2000, Buenaventura had the Diampocs sign a folded document without letting them read it.
5. They later discovered that the document was a deed of sale transferring half of their property (87 square meters) to Buenaventura for P200,000.00.
6. Following this revelation, barangay conciliation efforts failed, leading to the legal complaint.

In her defense, Buenaventura contended that the Diampocs had no cause of action and reiterated the validity of the sale.

****Procedural Posture**:**

1. The Regional Trial Court (RTC) of Pasig City dismissed the Diampocs' complaint, citing insufficient evidence.
2. The Court of Appeals (CA) upheld the RTC's decision, reaffirming the validity of the notarized deed of sale and stressing the presumption of regularity of notarized documents.
3. The Diampocs petitioned the Supreme Court for review, disputing the CA's ruling and raising issues of irregular execution and lack of authentic sale.

****Issues**:**

1. Whether the presumption of regularity of notarized documents applies to the deed of sale given the alleged irregularities.
2. Whether there was a valid and enforceable contract of sale between the Diampocs and

Buenaventura.

Court's Decision:

The Supreme Court denied the petition and affirmed the CA's decision.

1. **Presumption of Regularity:** The Court held that even if a document's notarization is defective, it remains admissible as evidence but only as a private document, contingent on proving its due execution and authenticity. The presumption of regularity for a notarized document stands unless convincingly disproved, which the Diampocs failed to achieve.
2. **Validity of Contract of Sale:** The Court emphasized the basic rule that one who signs a contract is presumed to know its contents. The Diampocs acknowledged signing the document but argued they were misled into believing it was a loan authorization. The Court found these claims insufficient, highlighting the Diampocs' failure to exercise due diligence by not thoroughly reading the document, notwithstanding their contention that it was folded or that it was dark when Wilbur signed it.

The Court held that the deed of sale was a valid and binding contract. The elements of cause, object, and consideration were present. The payment of P200,000.00 to the Diampocs was corroborated, and the necessity of form (public document) - while relevant for registration - did not affect the sale's validity.

Doctrine:

1. **Notarized Documents** enjoy a presumption of regularity, which can only be overturned by clear and convincing evidence.
2. **Validity and Binding Nature of Contracts:** Signatories of a contract are presumed to know and understand its contents. Gross negligence in failing to read or understand a signed document does not invalidate the contract.
3. **Form of Contract:** A defective notarization converts a public document to a private document but does not render the agreement void. Contracts affecting real rights on real property can still be valid even if not in public form as required for registration.

Class Notes:

- **Contract Law:** Essential elements of contracts include cause, object, and consideration (Article 1358, Civil Code). Non-compliance with required forms affects only enforceability and not validity.
- **Evidence:** Notarized documents assume prima facie validity; the burden of proof lies on the party contesting it.

- **Due Diligence in Contract Signing**: Signatories must exercise due diligence; ignorance of contract contents due to failing to seek explanation or reading does not absolve obligations under the contract.
- **Parol Evidence Rule**: It allows challenging a document's integrity only with clear, convincing proof of mistakes or immateriality in notarization (Article 1358, Civil Code).

Historical Background:

The case underscores numerous legal principles in contract law and evidentiary rules. The necessity of notarization for public documents aims at ensuring authenticity and reliability in transactions involving real property but does not negate the underlying obligations and agreements between the private parties involved.