

### Title: Bayan & Bayan v. Bayan (Deceased), Dy, Tanghal, and Register of Deeds of Quezon City

### Facts:

- **Parties Involved:** Petitioners Angelina A. Bayan and Jaime A. Bayan, represented by their Attorney-in-Fact Maria Flora A. Falcon, against respondents Celia A. Bayan (deceased), Edward Dy, Ma. Luisa B. Tanghal, and the Register of Deeds of Quezon City.
- **Case Origin:** In 2005, Celia Bayan obtained loans totaling PHP 4,500,000.00 from Dy and Tanghal, securing the loans with fraudulent Special Powers of Attorney (SPAs), allegedly granting her authority to act on behalf of co-owners Angelina and Jaime Bayan.
- **Transactions:** Celia executed three deeds related to these loans:
  1. **Deed of Real Estate Mortgage (February 23, 2005)**
  2. **Deed of Real Estate Mortgage (August 24, 2005)**
  3. **Amendment of the Deed of Real Estate Mortgage (September 9, 2005)**
- **Petitioners' Claim:** Angelina and Jaime claim that their signatures were forged and that they did not authorize the loans or mortgages.
- **Legal Action:** Petitioners filed for annulment of the mortgages with damages. During the trial, Dy and Tanghal foreclosed the mortgage and publicly auctioned the properties.

**Procedural Posture:**

1. **RTC Decision (September 15, 2010):** RTC ruled in favor of petitioners:
  - Declared null and void the SPAs, the mortgages, and foreclosure proceedings.
  - Ordered cancellation of the mortgage annotations on the TCTs.
  - Respondents to pay petitioners moral damages and fees.
  - Dismissed respondents' cross-claim against Celia.
2. **CA Appeal:** Respondents appealed, and during the pendency, Celia passed away.
3. **CA Decision (January 5, 2015):**
  - Partially granted, affirmed RTC's decision with modifications:
  - Mortgages declared null only as to the interests of Angelina and Jaime.
  - Remanded case to RTC to determine parties' shares and partition property.
  - Directed the Register of Deeds to cancel Certificates of Sale favoring respondents and issue new ones as determined by RTC.
  - Affirmed moral and attorney fee awards.
4. **Motions for Partial Reconsideration:** All parties filed motions.
5. **CA Resolution (September 22, 2015):** Denied all motions for lack of merit.

- Denied petitioners' right of legal redemption claim as it was not raised earlier.

### ### Issues:

1. **Raising the Right of Legal Redemption on Appeal:** Whether petitioners can raise their right of legal redemption for the first time on appeal.
2. **Mortgagees in Good Faith:** Whether the CA erred in not considering that the mortgagees (Dy and Tanghal) were not in good faith.

### ### Court's Decision:

- **Issue 1: Right of Legal Redemption**

- **Court's Ruling:** The Court denied petitioners' claim, stating that new issues cannot be raised for the first time on appeal or in a motion for reconsideration.

- **Reasoning:** The right of legal redemption should have been raised at the trial court. Petitioners had written notice of the fact of sale through the Sheriffs' Certificate of Sale and should have included the issue from the onset.

- **Issue 2: Mortgagees in Good Faith**

- **Court's Ruling:** The good faith of the mortgagees was not central to deciding the right of redemption as the mortgages were declared null as to petitioners' interest due to lack of authority rather than the conduct of Dy and Tanghal.

### ### Doctrine:

- **Doctrine Reiterated:** No new issues can be raised for the first time on appeal. Points of law, theories, and arguments not brought to the lower court should not be considered by the appellate court, especially in motions for reconsideration. Such practices conflict with fair play and due process (*Rizal Commercial Banking Corp. v. Commissioner of Internal Revenue*).

- **Written Notice of Sale:** The right of legal redemption under Article 1623 of the Civil Code accrues upon written notice of sale by the vendor (or an equivalent authoritative notice) to all possible redemptioners.

### ### Class Notes:

- **Key Legal Concepts:**

- **Mortgage and Foreclosure:** Real estate mortgages and their judicial scrutiny based on authority and authenticity.

- **Fraudulent Documents:** Impact of forged documents in contract and property law.

- **Legal Redemption (Article 1620 & 1623, Civil Code):** Co-owners have a right to redeem

property within 30 days of written notice from the vendor.

- **\*Appeals Process:** Issues must be raised early; new theories cannot be introduced on appeal for the first time.
- **\*Co-ownership Rights (Article 493, Civil Code):** Co-owners can mortgage their undivided share; however, validity depends on their actual interest.

### ### Historical Background:

- **\*\*Context:\*\*** This case highlights property disputes among family members involving fraud, co-ownership, and the procedural intricacies of the Philippine legal system. The case underscores the judiciary's role in addressing forged transactions and ensuring co-owners' rights are protected through duly established legal principles.