

****Title:****

Sps. Aguinaldo v. Torres, Jr., G.R. No. 221050, May 20, 2015

****Facts:****

1. ***Initial Complaint***: On March 3, 2003, Spouses Edgardo M. Aguinaldo and Nelia T. Torres-Aguinaldo filed a complaint for annulment of sale, cancellation of title, and damages against Artemio T. Torres, Jr. They claimed ownership of three lots in Cavite (covered by TCT Nos. T-93596, T-87764, and T-87765) which they discovered in December 2000 had been transferred to Torres, Jr. via a fraudulent Deed of Absolute Sale dated July 21, 1979.
2. ***Answer by Respondent***: Torres, Jr. denied involvement in the 1979 deed, claiming the properties were actually sold to him through a valid Deed of Absolute Sale dated March 10, 1991, which he argued petitioners themselves registered. Torres, Jr. also contended that the action had prescribed, as more than four years had passed since the alleged fraud was discovered in 1991.
3. ***RTC Ruling***: After evaluations, including a forensic examination conducted by the National Bureau of Investigation (NBI) which affirmed the authenticity of the signatures on the 1991 deed, the RTC found in favor of the respondent. The Decision dated January 21, 2010, dismissed the petitioners' complaint, establishing that the property was sold validly in 1991.
4. ***Appeal to CA***: Petitioners lodged an appeal with the Court of Appeals. The CA, while declaring the 1979 deed spurious, upheld the existence and due execution of the 1991 deed of sale based on independent verification, petitioners' own admissions, and respondent's consistent payment of real property taxes. The deed, however, was improperly notarized, and thus unregistrable.
5. ***CA Ruling***: On May 20, 2015, the CA affirmed the RTC's decision but ordered petitioners to execute a new registrable deed of sale. Petitioners' motion for reconsideration was denied on July 14, 2016. The case was then elevated to the Supreme Court.

****Issues:****

1. ***Validity and Forgery of the Deed of Sale***: Whether the Court of Appeals erred in ruling that there was a valid conveyance of the properties to Torres, Jr. through the 1991 deed.

2. ***Effect of Improper Notarization***: Whether the improper notarization of the 1991 deed impacts its registration and enforceability against third parties.
3. ***Estoppel and Prescription***: Whether petitioners are estopped from questioning the deed due to the time elapsed since its registration and their prior actions.

****Court's Decision:****

1. ***Validity of Deed***: The Supreme Court found that the 1991 Deed of Sale's authenticity and due execution were sufficiently established based on NBI findings and an independent assessment by the CA which verified the genuineness of the signatures. Petitioner Nelia's acknowledgment of the sale in her 1998 letter to the respondent further corroborated this.
2. ***Improper Notarization***: The court clarified that while the improper notarization of the 1991 deed rendered it a private instrument and therefore unregistrable, it did not affect the validity of the underlying sale. Articles 1357 and 1358 (1) of the Civil Code mandated the execution of a public document for the purpose of registration.
3. ***Estoppel and Prescription***: The Supreme Court acknowledged that the petitioners were estopped from contesting the deed considering their actions over the years, including the delay in filing the complaint and Nelia's admission of the sale. Additionally, the action had prescribed since it was filed more than four years after the discovery of alleged fraud.

****Doctrine:****

1. A forged deed is void and does not convey title.
2. Forgery must be proven by clear, positive, and convincing evidence.
3. Notarization is essential for the registration but does not affect the validity of the contract itself.
4. Parties may be compelled to execute a document in the proper form as stipulated under Articles 1357 and 1358 (1) of the Civil Code.

****Class Notes:****

1. ***Forgery***: Must be proved by clear and convincing evidence. Simple declarations are insufficient.
2. ***Notarization***: Essential for the registrability of documents; absence thereof converts a notarial instrument to a private document.
3. ***Estoppel and Prescription***: Engaging in acts consistent with ownership can estop a

party from denying a transaction, and legal actions must be timely filed.

****Historical Background:****

This case highlights long-standing disputes in the Philippines related to land ownership and property transactions. The procedural rigors for establishing authenticity and the significance of proper document notarization underscore the legal emphasis on clarity in ownership records to protect property rights and prevent fraudulent claims. The historical context shows the evolution of property laws in the Philippines and their enforcement to ensure land ownership security.