# JOSEFA R. MONTEMAYOR, REPRESENTED BY PAZ R. MONTEMAYOR, PLAINTIFF-APPELLEE, VS. REGISTER OF DEEDS OF PANGASINAN, (ALAMINOS BRANCH), DEFENDANTS,

Ponente: SADANG, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/cd12663db3a5/

**SADANG, J.:**

This is an appeal from the Decision dated August 9, 2010[1] of the Regional Trial Court of Alaminos, Pangasinan, Branch 54 in Civil Case No. A-2879.

Antecedents of the Appeal
On May 21, 2003, plaintiff-appellee Josefa R. Montemayor (hereafter appellee), represented by Paz Montemayor, filed a case against defendants-appellants Register of Deeds of Pangasinan (Alaminos), Benito M. Opague, spouses Wee Yu Ping and Vilma D. Wee, Mauro Peralta, spouses Jovito Ramos and Adelina Ramos, Evelyn Rondez-Bigornia, Ernesto P. Tabara, Roberto Camba, Leila Jimenez-Galanta, Nilda Carlos and Cecilio Sison and spouses George Chua Cham and Judith Chua Cham (hereafter, appellants) for declaration of nullity of Transfer Certificate of Title (TCT) Nos. 19278, 19940, 23969, 23970 and 23971, and damages.

The Complaint[2] alleged that plaintiff-appellee Josefa Montemayor (hereafter, appellee) is the absolute owner of Lot 7078-H[3] situated at Barangay Poblacion, Alaminos City, Pangasinan containing an area of 13,982 square meters (sqms.); sometime in August 1999, appellee's guardian, Paz Montemayor, discovered at the Office of the Municipal Assessor that the lot had been transferred and registered in the name of defendant Benito Opague under Original Certificate of Title No. 5867/EP No. 159491 (the OCT/EP, for brevity) on October 29, 1998; further, the OCT/EP was cancelled by Transfer Certificate of Title (TCT) No. 19278 issued on January 11, 1999 to Opague's supposed buyers and co-owners namely, defendants Tabara, Camba, Jimenez-Galanta, Peralta, Carlos and Sison despite the absence of a Transfer Action Order from Department of Agrarian Reform (DAR) Regional Office No. 1; the acquisitions by appellants from Opague are null and void because the land covered by OCT/EP may not be transferred, except by hereditary succession, within a period of 10 years; subsequenty, defendants Carlos and Jimenez-Galanta sold their lots to defendant spouses Jovito and Adelina Ramos (spouses Ramos) while defendants Tabara and Peralta sold their lots to defendant spouses Wee Yu Ping and Vilma D. Wee (spouses Wee) who were issued TCT No. 19938.[4] In turn, the spouses Wee sold their lots to the spouses George Chua Cham and Judith Chua Cham (spouses Chua Cham); Tabara sold another lot to defendant Rondez-Bigornia in whose name TCT No. 19940 was issued; the property covered by TCT No. 19938 was later partitioned and three titles were issued — TCT No. 23969 in the name of Mauro Peralta, TCT No. 23970[5] in the names of spouses Chua Cham, and TCT No. 23971 in the names of spouses Ramos.

Appellee alleges that defendant spouses Wee, Peralta, Ramos, Rondez-Bigornia, Tabara, Camba, Jimenez-Galanta, Carlos and spouses Chua Cham are all buyers in bad faith because it is clearly indicated on the face of the titles of their respective vendors that said titles originated from a Free Patent that was granted only a year earlier; moreover, defendants' titles came from OCT/EP which does not legally exist because it was issued without the necessary documents as found by an ad hoc DAR Committee and said title was declared null and void

by Provincial Adjudicator Roberto Caoayan of the DARAB in a Resolution dated March 14, 2003 in DARAB Case No. 01-081745-WP-02.

Appellee prayed for the declaration of nullity of TCT Nos. 19278, 19940, 23969, 23970 and 23971 as well as the tax declarations issued on the basis of said titles and that she be declared as rightful owner of the subject land. She also prayed for damages and attorney's fees.

Defendant spouses Chua Cham filed an Answer[6] alleging that the RTC has no jurisdiction because the action is for recovery of ownership and possession of real property with an assessed valued of only P5,030.00. They averred that the subject property was the subject of Operation Land Transfer (OLT) in 1988 under which Benito Opague and Francisco Opague were awarded 14,715-sqm. and 13,219-sqm. portions of the land, respectively, with appellee retaining 45,389.56 sqms.; appellee executed a deed of transfer in favor of Benito; when spouses Wee sold their 1,200 sqms. to spouses Chua Cham their ownership was evidenced by TCT No. 19938; and they are innocent purchasers for value, hence, their title, TCT No. 23970, is valid.

Defendants Benito Opague, Rondez-Bigornia and Peralta filed an Answer with Special Affirmative Defenses.[7] They alleged that: Tabara and Peralta bought their lots from Opague in good faith and for value; the landholding, with an area of 9.1590[8] was originally owned by spouses Guillermo and Josefa Montemayor and was covered by P.D. 27; on May 23, 1985, the land was surveyed for OLT and after approval of the survey plan, Guillermo Montemayor executed a Deed of Absolute Transfer in favor of Benito over 1.475 hectares; in August 1988, after the processing of transfer documents, Benito was summoned by Municipal Agrarian Reform Officer Jose Camero of the DAR and was required to pay the amortization on the lot, which he did; on November 26, 1998, Benito received the OCT/EP in his name; Benito sold some portions of the lot to the other defendants for value and in good faith after consulting with MARO Camero who told him that he can sell portions of the lot under Section 6 of Executive Order No. 228. The other defendants alleged that they have no knowledge of the OCT/EP of Benito but they know of the decision in DARAB Case No. 01-1592-WP2000 which dismissed the case for cancellation of the OCT/EP.

Defendants Cecilia Sison, spouses Ramos and Carlos were summoned by publication;[9] however, they did not file responsive pleading. Defendant Jimenez-Galanta also did not file responsive pleading.

At the trial, appellee offered the testimonies of Paz Montemayor and Atty. Raul Laluan. Appellants presented the affidavit of Benito Opague and the Joint Affidavit of defendants spouses Chua Cham. However, considering that the affiants did not appear in court for cross-examination, the court ruled that their affidavits cannot be considered as their direct testimonies.[10]

As found by the trial court, the facts are, as follows:

Appellee was the former owner of a parcel of land identified as Lot 7078 and measuring 91,590 sqms located in Barangay Poblacion, Alaminos, Pangasinan which was subjected to land reform. After the approval of the subdivision survey on February 11, 1986, the land was subdivided among appellee's tenants, viz.: Francisco Opague (Lot 7078-A); Nemeso Fontanilla (Lot 7078-B); Benito Opague (Lot 7078-C); Leticia Onia (Lot 7078-D); Justo Camilang (Lot 7078-E); Segundino Ladia (Lot 7078-F); and Modesto Dona (Lot 7078-G). As shown by the Tax Map, Lot 7078-H, with an area of 13,982 sqms, remained in the name of appellee.

In August, 1999, Paz Montemayor discovered that Lot 7078-H was transferred and registered in the name of Benito Opague for taxation purposes. Further investigation showed that Benito Opague had been issued the OCT/EP over Lot 7078-H on October 29, 1998. It was also discovered that the OCT/EP was cancelled on January 11, 1999 and in its place TCT No. 19278 was issued to Benito Opague, Tabara, Camba, Jimenez-Galanta, Peralta,


Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Carlos, and Sison. In February and March 1999, Jimenez-Galanta sold her lot to spouses Ramos. Tabara and Peralta sold their lots to spouses Wee. Thereupon, spouses Wee and spouses Ramos sold their shares to spouses Chua Cham. As a result of these transactions TCT No. 19938 was issued to spouses Ramos, spouses Wee, Sison, Tabara, and Peralta. Tabara then sold another portion of his lot to Rondez-Bigornia in whose name TCT No. 19940 was issued. The lot covered by TCT No. 19938 was subdivided and new titles were issued to Peralta (TCT No. 23969), spouses Chua Cham (TCT No. 23970) and spouses Ramos (TCT No. 23971).

Appellee complained to the DAR about the issuance of the OCT/EP over Lot 7078-H in favor of Benito Opague. The DAR created an ad hoc committee composed of Atty Raul Laluan, as chairman, and Atty. Alan Ordoño and Victor Laya, as members, to investigate the complaint. The committee members submitted an Investigation Report[11] wherein they stated their findings, thus: the lot cannot be the subject of OLT because it is used as a dumpsite and classified under Tax Declaration No. 823 as residential; there is no documentation regarding the OCT/EP and said title does not exist in the Emancipation Patent Information System database; Benito Opague is no longer entitled to Lot 7078-H because he was already awarded a 14,715 sqm lot. The committee concluded that Benito Opague's OCT/EP is doubtful and the transfers to the buyers cannot be allowed.

On August 9, 2010, the RTC issued the assailed Decision,[12] the fallo of which reads:

> WHEREFORE, premises considered, judgment is hereby rendered:
>
> - Declaring TCT Nos. 19278, 19940, 23969, 23970 and 23971 of the Register of Deeds, Alaminos City, Pangasinan, as well as the tax declarations issued on the basis of the said titles as null and void;
>
> - Declaring the plaintiff as the rightful owner of the subject property, Lot 7078-H;
>
> - Ordering the defendants to pay, jointly and severally, the plaintiff the amount of P80,000.00 as moral and exemplary damages;
>
> - Ordering the defendants to pay, jointly and severally, the plaintiff the amount of P70,000.00 as actual and litigation expenses;
>
> - Ordering the defendants to pay, jointly and severally, the plaintiff the amount of P70,000.00 as attorney's fees and to pay the costs.
>
> SO ORDERED.

The notices of appeal of the heirs of appellants spouses Opague[13] and spouses Chua Cham[14] were given due course by the RTC in the Orders[15] dated November 8 and 25, 2010.

In this appeal, the heirs of appellants spouses Opague raise this assignment of errors:

> - WHETHER OR NOT THE COURT ERRED IN FAILING TO APPRECIATE THE GLARING FACT THAT THE DECEASED DEFENDANT BENITO OPAGUE (NOW SUBSTITUTED BY HIS HEIRS) WAS AWARDED BY OPERATION LAND TRANSFER A PORTION OF FOURTEEN THOUSAND SEVEN HUNDRED FIFTEEN SQUARE METERS (14,715 sq.m) AND THAT THEREFORE PLAINTIFF IS NOW ESTOPPED FROM QUESTIONING THE ACQUISITION OF THE LAND IN QUESTION;
>
> - WHETHER OR NOT THE HONORABLE COURT A QUO ERRED IN FAILING TO APPRECIATE THAT AFTER SEPTEMBER 26, 1972 WHEN THE ENTIRE PHILIPPINES WAS DECLARED AS LAND REFORM AREA, THE DECEASED DEFENDANT (REPRESENTED BY HIS HEIRS) BECAME NOW THE OWNER OF THE LAND BY VIRTUE OF THE VALID TRANSFER UNDER THE OPERATION LAND TRANSFER AND HENCE THE OWNERSHIP OF THE DECEASED DEFENDANT OPAGUE CANNOT BE QUESTIONED BY REASON OF PRESCRIPTION AND LACHES;

> - WHETHER OR NOT LOT NO. 7078-H COULD NOT BE THE SUBJECT OF AN EMANCIPATION PATENT BY THE DAR IN FAVOR OF BENITO OPAGUE AS BENEFICIARY IN THE OPERATION LAND TRANSFER SINCE TECHNICALLY IT IS STILL AN AGRICULTURAL LAND AND IT WAS NEVER PLACED BEYOND THE SCOPE OF THE CARP IN THE ABSENCE OF AN EVIDENCE THAT THERE WAS LAND USE CLASSIFICATION ISSUED BY THE LOCAL GOVERNMENT OF ALAMINOS, PANGASINAN; THAT IT IS A MIX RESIDENTIAL, COMMERCIAL AND PASTURE LAND; HENCE IT WAS A GROSS ERROR TO REMOVE THE SCOPE OF THE LAND TRANSFER IN LOT NO. 7078-H;
>
> - THE COURT ERRED IN APPRECIATING THE FACT THAT WHEN THE DEFENDANT BENITO OPAGUE WAS GIVEN A DEED OF ABSOLUTE TRANSFER BY THE PLAINTIFF-APPELLEE REPRESENTED BY HER BROTHER GUILLERMO MONTEMAYOR OF THE FARM LOT WITH AN AREA OF FOURTEEN THOUSAND SEVEN HUNDRED FIFTEEN SQUARE METERS (14,715 SQ. M) PURSUANT TO P.D. NO. 27 THAT ABSOLUTE DEED OF TRANSFER INCLUDES LOT NO. 7078-H WHICH IS PART OF THE LAND TRANSFER COVERAGE WITH AN AREA OF 1.3982 HAS AND FOR WHICH THE PLAINTIFF-APPELLEE THRU HIS BROTHER EXECUTED A DEED OF ABSOLUTE TRANSFER PURSUANT TO P.D. NO. 27;
>
> - THE COURT ERRED IN FAILING TO APPRECIATE LACK OF PREPONDERANCE OF EVIDENCE TO JUSTIFY THE DECISION OF THE COURT A QUO.

Appellants spouses Chua Cham raise this assignment of errors:

> - THE LOWER COURT GROSSLY ERRED IN DECLARING VOID TRANSFER CERTIFICATE OF TITLE NO. 23970 WITHOUT DECLARING AS VOID ORIGINAL CERTIFICATE OF TITLE NO. 5867;
>
> - THE LOWER COURT GROSSLY ERRED WHEN IT DECLARED TCT NO. 23970 VOID CONSIDERING THAT DEFENDANTS-APPELLANTS SPS. GEORGE AND JUDITH CHUA CHAM RELIED ON THE FACE OF THE TITLE OF SPS. WEE YU PING AND VILMA DOMONDON, WHICH IS FREE FROM LIENS AND ENCUMBRANCES AND WERE ALREADY THE THIRD TRANSFEREES, WHO ACQUIRED THE PROPERTY IN GOOD FAITH AND FOR VALUE;
>
> - THE LOWER COURT GROSSLY ERRED WHEN IT ORDERED DEFENDANTS-APPELLANTS SPS. GEORGE AND JUDTH (SIC) CHUA CHAM TO PAY ACTUAL DAMAGES AND LITIGATION EXPENSES, MORAL DAMAGES, EXEMPLARY DAMAGES, ATTORNEY'S FEES AND COSTS.

RULING

The essential issues in this appeal are: a) whether or not the OCT/EP issued to Benito Opague and TCT Nos. 19278, 19940, 23969, 23970 and 23971 issued to appellants are null and void; and, b) whether or not appellants spouses Chua Cham are purchasers in good faith.

It must be stated that it is a settled rule that the issuance of an emancipation patent does not put the ownership of the agrarian reform beneficiary beyond attack and scrutiny.[16] A registered EP or Certificate of Landownership Award (CLOA) may be canceled on the grounds that it covers land that is included in the area retained by the landowner or in cases where the beneficiary sells or transfers his right to use the land in circumvention of P.D. 27, among others.[17]

In this case, the RTC declared appellee as the owner of Lot 7078-H and voided the titles that originated from the OCT/EP in the name of Benito Opague. Its ruling was based on the Investigation Report (Exhibit P)[18] of the ad hoc committee of the DAR which reads, thus:

> On the basis of the ocular inspection and investigation of the aforementioned DAR Ad Hoc Committee members at Sitio Embarkadero, Poblacion, Pangasinan, the following facts were gathered and established by

the undersigned Committee members, to wit:

1. That the subject landholdings is hilly and located along Alaminos-Bani Provincial Road and that a few residential houses were constructed thereon including a vulcanising shop and that it is not devoted to nor being cultivated and planted to rice, corn and/or other auxiliary crops.

2. That the landholding subject of the Petition is Lot 7078-H of the CSD-I-002180-D (OLT) containing an area of Thirteen Thousand Nine Hundred Eighty Two (13,982) square meters more or less allegedly covered by Original Certificate of Title No. 5867/EP No. 159491 issued on October 29, 1998 and registered in the name of Benito Opague on September 25, 1998 formerly covered by Tax Declaration 823 in the name of Josefa Montemayor.

3. That the said OCT 5867/EP NO. 159491 has been cancelled and replaced by Transfer Certificate of Title No. 19278 registered on January 11, 1999 (for only a span of two (2) months from the registration of the Original Title), to reflect the names of the buyers and co-owners namely: Ernesto Tabara, Carlita Quizon, Roberto Camba, Leila Jimenez, Mauro Peralta, Nilda Carlos and Cecilia Sison and subsequent transfers were made as annotated in the latter title.

4. That an agrarian dispute between the original landowner Josefa Montemayor, represented by her judicial guardian, Paz Montemayor, on one hand and Jose Camero et al. on the other hand, in DARAB Case NO. 01-1592-WP'2000 for cancellation of OCT 5867/EP NO. 159491 was filed and a Decision dated February 9, 2001 was rendered in said case the dispositive portion of which reads: x x x

5. That a certification dated October 28, 1999 was issued by the Vice Mayor of Alaminos, Pangasinan certifying that the subject lot was used as a dumpsite from the year 1983 to 1993 or for a period of ten (10) long years.

6. That likewise a certification dated December 1, 1999 of the Municipal Budget Officer/DZA of Alaminos in the person of Leonido C. Caburao was issued vouching and affirming that the landholding in controversy is within the development plan of the municipality and further certifying that 50 meters deep form the highway is within the commercial zone and beyond that is a pasture land of the aforesaid barangay.

7. That letter-communication dated December 20, 1999 was issued by the Municipal Agrarian Reform Officer (MARO) of Alaminos in the person of Teresita C. Orlino certifying that the documentation in the issuance of the subject original/EP title cannot be located in the said office since the former MARO Jose Camero did not turn over to her any folder in connection with the property in controversy.

8. Further, a certification dated March 4, 2002 was issued by Reynaldo P. Fernandez, Information Systems Analyst II of the DAR Region I certifying and verifying that OCT 5867/EP with serial no. 159491 in the name of Benito Opague covering lot in question with Survey No. CSD-1002180-D (OLT) does not exist in the Emancipation Patent Information System (EPIS) database.

9. Furthermore, a certification dated June 14, 2002 was also issued to corroborate the certification dated March 4, 2002, signed by FE C. Caligtan, Computer Programmer II, attested by Ma. Liza Fadri, PMEU Head and Noted by Rolando S. Gamboa, OIC PARO II of the province of Pangasinan affirming that indeed the subject title does not exist in the aforesaid database.

10. Apparently, the Register of Deeds (ROD) of Alaminos in his certification dated June 13, 2002 also affirmed that no Transfer Action Order from the DAR Regional Office pertaining to the transfer of EP No. 159491 in the name of Benito Opague to TCT No. 19278 in the name of Ernesto Tabara et. al. could be found despite diligent effort to locate the same.

11. In the Provincial Assessor Office of Lingayen, Pangasinan, Tax Declaration No. 823 in the name of Josefa Montemayor was cancelled by virtue of a new Tax Declaration No. 38040 in the name of Benito Opague,


*Bar review courses, mock exams and a study planner that keeps you on pace - batas.org*

> worthy to note in this office is that the new tax declaration no. 38040 should cancel tax declaration No. 711 (portion) and not TD No. 823 as shown by supporting documents submitted and filed with the said office.
>
> 12. Finally, it is also an established fact that there is no claim folder submitted by MARO containing the following:
>
> a) EP worksheet
>
> b) Certification from BARC & MARO that there was no EP issued to farmer-beneficiary applicant.
>
> c) Deed of Transfer executed by the FB and the landowner supposedly prepared by MARO and subsequently to be recommended by the CARPO Operation and to be approved by the PARO and that there is (1) no transmittal of PARO for signing and sealing of the subject EP to the Bureau of Legal Assistance Division (BLAD, for brevity), (2) no name of Benito Opague appearing in the Subsidiary Ledger (report of ROD to DARPO) which is the basis of the EMPIS database, (3) no transmittal of PARO to the Register of Deeds (ROD) for the registration of title in issue, and (4) that the same title was not prepared in DAR Provincial Office (DARPO).

Appellants heirs of Benito Opague contend that the Investigation Report is inadmissible in evidence because the officers who prepared it did not testify in court. There is no merit in the contention. Section 44, Rule 130 of the Rules of Evidence provides for one of the exceptions to the hearsay rule, thus:

> Section 44. Entries in official records.- Entries in official records made in the performance of his duty by a public officer of the Philippines, or by a person in the performance of a duty specially enjoined by law, are prima facie evidence of the facts therein stated.

The reason for the exception was explained by a well-known authority in evidence, thus:

> The reason for the admissibility of official entries without the necessity of presenting in court the officer or person who made them are (a) necessity and (b) trustworthiness. The necessity consists in the practical impossibility of requiring the official's attendance as a witness to testify to the innumerable transactions occurring in the course of his duty and requiring to be evidence. The trustworthiness arises: first, in the sense of official duty which has led to the making of the statement; secondly, in the penalty which usually is affixed to a breach of that duty; thirdly, in the routine and disinterested origin of most of such statements; and fourthly, in the publicity of record, which makes more likely the prior exposure of such errors as might have occurred.[19]

The requisites for admissibility under the aforecited rule are: a) that the written statement was made by a public officer, or by another person specially enjoined by law to do so; b) that it was made by the public officer in the performance of duty enjoined by law; and c) that the public officer or the other person had sufficient knowledge of the facts by him stated, which must have been acquired by him personally or through official information.[20]

In this case, there is no question that the Investigation Report was prepared by the members of the ad hoc committee in the performance of their duty as public officers. The issue is whether said officers acquired knowledge of the facts stated in their report either personally or through official information. A scrutiny of the report shows that the findings of the committee are based on both personal knowledge and official records. It is clear from the report that the members conducted an ocular inspection of the land to determine its location, terrain and actual use. Also, their finding that the OCT/EP issued to Benito Opague is of doubtful origin is supported by official records on file with the DAR. Their conclusion that the titles issued to appellants originated from the OCT/EP is likewise based on official documents. Consequently, the Investigation Report is admissible in evidence as an exception to the hearsay rule. It must also be noted that the Investigation Report was formally offered in evidence as Exhibit I.[21]

It is clear from the Investigation Report that there are no official records or documentation regarding the issuance to Benito Opague of the OCT/EP over Lot 7078-H. The title simply does not exist in the database of DAR. What is also revealing is that in his Answer, Benito Opague alleged that Guillermo Montemayor had executed a Deed of Absolute Transfer (Annex 2) of the farm lot with an area of 1.475 hectares in his favor pursuant to PD 27.[22] This is the deed that he relies upon to prove his ownership of the land covered by the OCT/EP. However, the deed shows on its face that the lot sold to Benito Opague is "Parcel No. 7078-C," not Lot 7078-H which is the subject matter of this case. In fact, the Investigation Report states that Benito Opague is already the awardee of Lot 7078-C. Benito Opague's own evidence belies his claim that Lot 7078-H was sold to him. The RTC did not err in declaring that Lot 7078-H still belongs to appellee.

The invocation of prescription by appellants heirs of Benito Opague is not apt. The complaint in this case is for the declaration of nullity of titles which seeks, in effect, the quieting of title to property. The settled rule is that when there is a showing of illegality in registration, the property is deemed to be held in trust for the real owner by the person in whose name it is registered, and the former then has a right to sue for reconveyance of the property.[23] And, where the registered owner is in actual possession of the land, an action to quiet title is imprescriptible. The reason for the rule is that one who is in actual possession of a piece of land claiming to be the owner thereof may wait until his possession is disturbed or his title is attacked before taking steps to vindicate his right.[24]

There is no merit in the contention of the spouses Chua Cham that they are purchasers in good faith and for value because they relied on the title of their seller, the spouses Wee, which, on its face, does not contain liens or encumbrances. It must be stated, that the defense of the spouses Chua Cham is stated in their joint affidavit. Unfortunately, they did not testify in court to affirm their joint affidavit and be cross-examined thereon. Thus, the lower court ruled that their affidavits cannot be considered as their direct testimony.[25] More precisely, because spouses Chua Cham failed to testify and be cross-examined thereon, their joint affidavit is hearsay evidence that has no evidentiary value,[26] thus, their defense was not shown by evidence.

In any case, we are not convinced that spouses Chua Cham were purchases for value in good faith. The rights of an innocent purchaser for value vis-a-vis the owner of a registered land are governed by Section 53 of P.D. 1529 which provides:

> Sec. 53. Presentation of owner's duplicate upon entry of new certificate.- x x x
>
> In all cases of registration procured by fraud, the owner may pursue all his legal and equitable remedies against the parties to such fraud without prejudice, however, to the rights of any innocent purchaser for value of a certificate of title. After the entry of the decree of registration on the original petition or application, any subsequent registration procured by the presentation of a forged duplicate certificate of title, or a forged deed or other instrument, shall be null and void. (Underscoring supplied)

In the case of Joaquin v. Madrid,[27] it was held that the proviso in the aforequoted law is a limitation of the first sentence therof "in the sense that in order that the holder of a certificate for value issued by virtue of the registration of a voluntary instrument may be considered a holder in good faith for value, the instrument registered should not be forged. When the instrument presented is forged, even if accompanied by the owner's duplicate certificate of title, the registered owner does not thereby lose his title, and neither does the assignee in the forged deed acquire any right or title to the property." Otherwise put, the "innocent purchaser for value protected by law is one who purchases a titled land by virtue of a deed executed by the registered owner himself, not by a forged deed, as the law expressly states."[28]

In this case, appellee's evidence shows that the OCT/EP in the name of Benito Opague does not exist in the

database of the Emancipation Patent Information System of the DAR. The logical inference from such finding is that the deed that was presented to support the issuance of said certificate of title was a forgery, meaning, that the registered owner did not execute the deed herself. The legal consequence is that the registered owner, herein appellee, did not lose her title to her property and Opague never acquired title thereto. For the same reason, the subsequent buyers of the property, including appellants spouses Chua Cham, cannot be considered innocent purchasers for value.

However, we find that appellant spouses Chua Cham should not be liable for damages, attorney's fees and litigation expenses. The rule is that a party claiming moral damages must prove the existence of bad faith by clear and convincing evidence for the law always presumes good faith. It is not enough that one merely suffered sleepness nights, mental anguish, or serious anxiety as the result of the actuations of the other party. Such must be shown to have been willfully done in bad faith or with ill motive. Likewise, to warrant the award of exemplary damages the wrongful act must be accompanied by bad faith, and an award of damages would be allowed only if the guilty party acted in wanton, fraudulent, reckless or malevolent manner. And, in the absence of stipulation, attorney's fees may be recovered as actual or compensatory damages under any of the circumstances in Article 2208 of the Civil Code.[29] There is nothing in the evidence of appellee that makes the spouses Chua Cham liable to appellee for damages or attorney's fees. What appears is that spouses Chua Cham were simply the unknowing victims of an impostor who pretended to be the registered owner but who is not said owner.[30]

WHEREFORE, premises considered, the appeal of the Heirs of Benito Opague is DENIED; however, the appeal of the spouses George and Judith Chua Cham is PARTLY GRANTED. The Decision dated August 9, 2010 of the Regional Trial Court of Alaminos, Pangasinan, Branch 54 in Civil Case No. A-2879 is AFFIRMED with the MODIFICATION that spouses Chua Cham shall not be liable for the damages, attorney's fees and litigation expenses awarded by the lower court.

**SO ORDERED.**

Librea-Leagogo, (Chairperson), and Diamante, JJ., concur.

---

[1] Rollo, pp. 43-74.

[2] Records, pp. 1-6.

[3] A parcel of land, Lot 7078-H, Cad-1-0020180-D, being a portion of Lot 7078, Cad 325-D, Alaminos Cadastre, situated in the Barangay of Poblacion, Municipality of Alaminos (now city), Province of Pangasinan, Island of Luzon. Bounded on the NE along line 1-2, 2-3, 3-4, 4-5, 5-6 by Lot 7078-C of the subdivision plan on the SE along line 6-7 by lot 7072; on the SW along line 7-8 by Provincial Road and on the NW along line 8-9, 9-10, 10-11, 11-12 b lot 7078-G of the subd. plan.

[4] Records, p. 12.

[5] Id., p. 16.

[6] Id., pp. 34-37.

[7] Id., pp. 88-92.

[8] Manner of measurement not indicated.

[9] Records, p. 133.


*Bar review courses, mock exams and a study planner that keeps you on pace - batas.org*

[10] Decision, Id. at p. 94.

[11] Record, pp. 205-208.

[12] Penned by Judge Benjamin N. Abella.

[13] Records, pp. 367-368. It is alleged in the petition that Benito Opague died on October 28, 2008 and Carlita Opague died on April 19, 2005, but their lawyer, Atty. Ernesto Tabara, failed to so manifest and no substitution was made in the trial court. Rollo, at p. 30.

[14] Id., p. 401.

[15] Id., pp. 392-394 and 403.

[16] Mercado v. Mercado, G.R. No. 178672, 19 March 2009.

[17]Section IV-B DAR Administrative Order No. 2, Series of 1994, provides for the grounds thus:

1. Misuse or diversion of financial and support services extended to the ARB [Agrarian Reform Beneficiaries]; (Section 37 of R.A. No. 6657);

2. Misuse of the land; (Section 22 of R.A. No. 6657);

3. Material misrepresentation of the ARB's basic qualifications as provided under Section 22 of R.A. No. 6657, P.D. No. 27, and other agrarian laws;

4. Illegal conversion by the ARB; (Cf. Section 73, Paragraphs C and E of R.A. No. 6657);

5. Sale, transfer, lease or other forms of conveyance by a beneficiary of the right to use or any other usufructuary right over the land acquired by virtue of being a beneficiary, in order to circumvent the provisions of Section 73 of R.A. No. 6657, P.D. No. 27, and other agrarian laws. However, if the land has been acquired under P.D. No. 27/E.O. No. 228, ownership may be transferred after full payment of amortization by the beneficiary; (Sec. 6 of E.O. No. 228);

6. Default in the obligation to pay an aggregate of three (3) consecutive amortizations in case of voluntary land transfer/direct payment scheme, except in cases of fortuitous events and force majeure;

7. Failure of the ARBs to pay for at least three (3) annual amortizations to the LBP, except in cases of fortuitous events and force majeure; (Section 26 of RA 6657);

8. Neglect or abandonment of the awarded land continuously for a period of two (2) calendar years as determined by the Secretary or his authorized representative; (Section 22 of RA 6657);

9. The land is found to be exempt/excluded from P.D. No. 27/E.O. No. 228 or CARP coverage or to be part of the landowner's retained area as determined by the Secretary or his authorized representative; and

10. Other grounds that will circumvent laws related to the implementation of agrarian reform program.

[18] Records, pp. 205-208.

[19] Vicente Francisco, Evidence, Vol. III, 1997 ed. at p. 617.

[20] Id., citing Africa v. Caltex, G.R. No. L-12986, March 31, 1966; also see People v. Mayingque, et al., G.R. No. 179709, July 6, 2010.

[21] Formal Offer of Evidence, Record, pp. 306-315, at 309.

[22] Decision, Id. at p. 345.

[23] Solomon v. Intermediate Court of Appeals, 185 SCRA 352; Armamento v. Guerrero, 96 SCRA 178.

[24] Heirs of Olviga v. Court of Appeals, 227 SCRA 339; Heirs of Simplicio Santiago v. Heirs of Mariano Santiago, 404 SCRA 193.

[25] Decision, Records at p. 345.

[26] People v. Sorrel, 278 SCRA 368.

[27] 106 Phil. 1060, at 1063. Cited and reiterated in Ereña v. Querrer-Kauffman, 492 SCRA 298, 320.

[28] Ereña v. Querrer-Kauffman, supra.

[29] Spouses Valenzuela v. Spouses Mano, G.R. No. 172611, July 9, 2010.

[30] Ereña v. Querrer-Kauffman, supra.


*Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org*

ABOUT BATAS.ORG

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at https://batas.org**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.