

ERLINDA B. CAUSAPIN AND ALBERTO CAUSAPIN, PETITIONERS, VS. COURT OF APPEALS, EUSEBIO CALUGAY, RENATO MANALO, LORENZA MANALO AND BENJAMIN C. NADURATA, JR., AND SPOUSES DOMINADOR ...*G.R. No. 107432. July 04, 1994*

Ponente: BELLOSILLO, J.

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Petitioners are the heirs of Agapito Causapin who died in October 1954 leaving a 473-square meter lot in Niugan, Cabuyao, Laguna. On 25 June 1963, they partitioned the land between them and the corresponding tax declarations were issued in their individual names. Erlinda resided in the land until 1963 when she went to work in Manila. When she got married she settled in Mandaluyong. Meanwhile, the land was left to the care of her cousin, respondent Lorenza Manalo.

In 1986, Erlinda returned to Niugan and discovered that a building was being constructed on the land. Upon inquiry from the Register of Deeds of Calamba, Laguna, she learned that it was already titled in the name of respondent-spouses Dominador de Guzman and Anastacia Batas under Original Certificate of Title No. P-1796.

On 17 July 1986, Erlinda and Alberto lodged a complaint before the Regional Trial Court of Laguna for rescission of deeds of sale and cancellation of OCT No. P-1796 against respondent-spouses Dominador de Guzman and Anastacia, Eusebio Calugay, Renato Manalo, Lorenza Manalo and Benjamin C. Nadurate, Jr.

Erlinda Causapin claimed that she never sold her share of the property to anyone and that the signature appearing on the document purportedly conveying her share to respondent Eusebio Calugay was not hers. With respect to Alberto's share, he claimed that he was intimidated by respondent-spouses Renato and Lorenza Manalo, as well as respondent-spouses Dominador and Anastacia de Guzman into signing an already prepared deed of sale on the pretense that he would receive the consideration of the sale as soon as Erlinda could sign the deed as administratrix of the land. However, up to the date of the filing of the complaint, he never received a centavo from the de Guzmans.

On the other hand, respondent-spouses de Guzman asserted that sometime in 1967 they purchased from Renato Manalo a 221-square meter parcel of land for P3,000.00, evidenced by a "Kasulatan ng Bilihang Tuluyan" dated 17 July 1967.[1] The land was supposed to have been acquired by respondent Renato Manalo from respondent Eusebio Calugay through a "Bilihan ng Lupa na Walang Titulo" dated 26 October 1966 for P2,000.00.[2] In turn, respondent Eusebio Calugay bought the property from petitioner Erlinda Causapin on 29 July 1963 for P1,500.00 as evidenced by a "Bilihang Tuluyan." [3]

Then on 17 August 1967, the de Guzmans bought the share of petitioner Alberto for P2,500.00.[4] Upon acquisition of the two parcels of land, the de Guzmans applied for a free patent. On 28 April 1977, OCT No. P-1796 was issued in their name.[5] Since then they have been paying the land taxes up to the present.

Leonila Calugay, wife of respondent Eusebio Calugay, contended that in the early part of 1980, Erlinda borrowed P2,500.00 from her which loan was secured by Tax Declaration No. 8155. Later, Erlinda redeemed the land. Leonila, Erlinda and Eusebio executed the document of redemption in an office at Escolta, Manila.

Respondent Lorenza Manalo attempted to show that her husband, respondent Renato Manalo, acquired Erlinda's share through purchase from respondent Eusebio Calugay. The document of sale was prepared and notarized on 26 October 1964 in an office at Escolta, Manila, in the presence of respondent Calugay, Renato, and herself. The document of sale from respondent Renato to respondent-spouses de Guzman was prepared and notarized in the same office although respondent Lorenza Manalo could not remember when it was. She remembers however having acted as witness to the execution of the document.

Weighing the foregoing conflicting evidence, the trial court concluded there was no valid transfer of the property of Erlinda to respondents. Its conclusion was based on the following: (a) Erlinda was a minor and single when the deed of sale between her and respondent Eusebio Calugay was executed; (b) the alleged deed of sale to Eusebio Calugay was spurious and a forgery considering the testimony of Leonila that the property was used as collateral for Erlinda's loan when she was already married with three children and a resident of Mandaluyong; (c) granting that the document was one of mortgage, it was unlikely that the consideration was only P1,500.00, as the document stated, because the loan obtained by Erlinda was for P2,500.00; (d) Erlinda's signature on the document was different from her signature on the verification of the complaint and on the deed of sale between petitioner Alberto and respondent-spouses de Guzman; (e) respondents Eusebio and Leonila denied having signed any deed of sale; (f) the notary public did not submit to the trial court a copy of the document evidencing the sale between respondents Eusebio Calugay and Renato Manalo; and, (g) the Tax Declaration of respondent Renato was not presented by respondent-spouses de Guzman.

However, the trial court declared as valid the sale of Alberto's share to respondent-spouses de Guzman because he failed to persuade the court that no consideration was paid for the sale.

Although an action to annul a deed of conveyance or contract based on minority or lack of capacity to enter into the deed must be brought within four years from the time such incapacity ceases,[6] the trial court nevertheless granted Erlinda's prayer. It relied on the principle of equity since it found that the de Guzman couple did not act in good faith, which consisted in their failure to offer in evidence the tax declaration of respondent Renato Manalo. Thus, on 13 October 1989, it rendered its judgment: (a) ordering therein defendant-spouses Dominador and Anastacia de Guzman to pay plaintiffs the sum equivalent to the present valuation of real property per square meter at Niugan, Cabuyao, Laguna; (b) declaring that defendant-spouses de Guzman may pursue a claim for reimbursement and damages against defendant-spouses Renato Manalo and Lorenza Manalo; (c) ordering defendant-spouses Renato and Lorenza Manalo to jointly and severally pay plaintiff Erlinda Causapin P10,000.00 as moral damages and P10,000.00 as compensatory damages; (d) ordering defendant-spouses Dominador and Anastacia de Guzman jointly and severally with co-defendants Renato and Lorenza Manalo to pay plaintiff Erlinda P5,000.00 as attorney's fees plus cost; and, (e) relieving defendant-spouses Eusebio Calugay and Leonila Calugay of any civil liability as they did not participate in the fraudulent act but instead duped into signing a document of sale which the latter believed to be a document of redemption by Erlinda Causapin.[7]

On 30 September 1992, at the instance of respondent-spouses de Guzman, the Court of Appeals reversed the decision of the trial court[8] upon finding that: (a) the deeds of sale, being duly notarized, could not be brushed aside and rendered inefficacious simply by the uncorroborated testimony of petitioner Erlinda; (b) the failure of the notary public to transmit the deed of sale between respondents Eusebio and Renato to the then Court of First Instance of Manila and the Bureau of Archives did not, in any manner, convert it into a private document or invalidate the same; at most, it might render the notary public administratively liable for his omission; (c) equity

is applied only in the absence of, and never against statutory law or judicial rules of procedure, much more the law on prescription; (d) the general rule is that an original certificate of title issued on the strength of a homestead patent partakes of the nature of a certificate issued in a judicial proceeding and becomes indefeasible and incontrovertible at the expiration of one (1) year from the date of the issuance of the patent; (e) even assuming that OCT No. P-1796 issued to respondent-spouses de Guzman could still be set aside, an action for annulment of a patent should be filed only by the Solicitor General pursuant to Sec. 101 of Commonwealth Act No. 141; and, (f) there was no conclusive evidence that respondent-spouses de Guzman acted in bad faith.

In the instant petition, it is alleged that the Court of Appeals completely failed to give probative value to the attendant facts and the testimony of petitioner Erlinda with respect to the purported source of all the conveyances, the "Salaysay ng Paghahati." While that document and the alleged deed of sale between petitioner Erlinda and respondent Eusebio Calugay stated that Erlinda was of age, she however testified under oath that she was only seventeen (17) years old in 1963. Therefore, said documents transferred no rights whatsoever to respondents due to Erlinda's incapacity by reason of minority. Moreover, Erlinda testified that she did not execute said documents, in which event, prescription did not lie against her and her brother. Consequently, the subsequent conveyances were also void and that respondent-spouses de Guzman were not purchasers in good faith.

We are in full conformity with appellate court's reversal of the trial court's decision. The disputed deeds of sale, namely: (a) "Bilihang Tuluyan" dated 29 July 1963 between petitioner Erlinda and respondent Eusebio; (b) "Bilihan ng Lupa na Walang Titulo" dated 26 October 1966 between respondents Eusebio and Renato; and, (c) "Kasulatan ng Bilihang Tuluyan" dated 17 July 1967 between respondents Renato and spouses de Guzman, were all duly notarized. In this connection, we have held that when the evidence as to the validity or nullity of a notarial document is conflicting, in the absence of a clear, strong and convincing evidence showing such falsity, the document should be upheld.[9]

Petitioners sought rescission of those documents on two grounds: first, Erlinda "never executed nor signed any document or any deed of sale whatsoever transferring or selling her share on the real property x x x to defendants or to any person for that matter;"[10] second, she was still a minor at the time she allegedly executed the deed of sale in favor of respondent Eusebio. It should be pointed out that petitioners' prayer for rescission is erroneous because this remedy only applies to contracts validly agreed upon by the parties in the cases established by law.[11] Anyway, the error appears to concern terminology only because petitioners are actually assailing the validity of said documents.

The trial court resolved the first ground in this wise: "x x x on close observation, the signature of Erlinda appearing on the alleged Deed of Sale to Eusebio, which is of course denied, is very different from her signature appearing in the verification of her complaint in the instant case, and even in the Deed of Sale from Alberto Causapin to the de Guzmans which Erlinda signed as Administratrix." [12] This is a loose end which the lower court failed to settle. An accurate examination to determine forgery should dwell on both the differences and similarities in the questioned signatures. The reason for this kind of examination was explained in *Cesar v. Sandiganbayan*: [13]

There are two main questions, or difficulties, that confront the examiner of an alleged forgery. The first of these is to determine how much and to what extent genuine writing will diverge from a certain type, and the second is how and to what extent will a more or less skillful forgery be likely to succeed and be likely to fail in embodying the essential characteristics of a genuine writing. Here we have the very heart of the problem, for, at least in some measure, a forgery will be like the genuine writing, and there is also always bound to be some variation in the different examples of genuine writing by the same writer. Incorrect reasoning infers forgery from any variation or infers genuineness from any resemblance.

The process of identification, therefore, must include the determination of the extent, kind, and significance of this resemblance as well as of the variation. It then becomes necessary to determine whether the variation is due to the operation of a different personality, or is only the expected and inevitable variation found in the genuine writing of the same writer. It is also necessary to decide whether the resemblance is the result of a more or less skillful imitation, or is the habitual and characteristic resemblance which naturally appears in a genuine writing. When these two questions are correctly answered the whole problem of identification is solved.

A comparison of Erlinda's signature in the "Bilhang Tuluyan" with her signatures on the other documents reveals that the slight differences in strokes are overshadowed by the significant similarities. These similarities suffice to convince us that the signature of petitioner Erlinda on the deed of sale between her and respondent Eusebio is genuine; a fortiori, the deed of sale between them is valid. Moreover, it is highly noticeable that the signatures of Erlinda that were analyzed by the trial court are on documents executed several years apart, to wit, 29 July 1963, 17 August 1967 and 20 June 1986. The passage of time and a person's increase in age may have decisive influences in his writing characteristics.[14] Thus, authorities are of the opinion that in order to bring about an accurate comparison and analysis, the standards of comparison must be as close as possible in point of time to the suspected signature.[15]

As regards the second ground, Art. 1391 of the Civil Code is specific that the action for annulment of a contract entered into by minors or other incapacitated persons shall be brought within four years from the time the guardianship ceases. Conformably with this provision, Erlinda should have filed a complaint for annulment within four (4) years from 1966 when she turned 21. Her claim of minority has undoubtedly prescribed when the complaint was filed in 1986.

Furthermore, petitioners' action for the cancellation of OCT No. P-1796 was not properly instituted. It should be remembered that the questioned property was a public land. We have held in a multitude of cases, among which are *Lopez v. Padilla*[16] and *Maximo v. CFI of Capiz*,[17] that Sec. 101 of the Public Land Act vests only in the Solicitor General or the officer acting in his stead the authority to institute the action on behalf of the Republic for cancellation of title and for reversion of the homestead to the Government. A recognized exception is that situation where plaintiff-claimant seeks direct reconveyance from defendant public land unlawfully and in breach of trust titled by him, on the principle of enforcement of a constructive trust, but such principle is in no way applicable nor even invoked in this case.

In addition, an original certificate of title issued on the strength of a homestead patent is equivalent to a certificate issued in a judicial proceeding and becomes indefeasible and incontrovertible after one (1) year from the date of issuance thereof;[18] in this case, one year from 28 April 1977. The exception is where an action for the cancellation of a patent and the certificate of title pursuant thereto is instituted on the ground that they are void because the Bureau of Lands had no jurisdiction to issue them at all, the land in question having been withdrawn from the public domain prior to the subsequent award of the patent and the grant of a certificate of title to another person, which does not obtain in this case.[19]

As aforesaid, the trial court granted relief to petitioner Erlinda based on equity since it found that respondent-spouses de Guzman acted in bad faith when they acquired the land. Equity, which has been aptly described as "a justice outside legality," is applied only in the absence of, and never against, statutory law or judicial rules of procedure. The pertinent positive rules being present here, they should pre-empt and prevail over all abstract arguments based only on equity.[20] Besides, respondent-spouses de Guzman did not act in bad faith because there was no evidence of impropriety in the sale made by respondent Renato Manalo to them.

WHEREFORE, the petition for review is DENIED. The decision of the Court of Appeals dated 30 September

1992 is AFFIRMED.

SO ORDERED.

Cruz, (Chairman), Davide, Jr., Quiason, and Kapunan, JJ., concur.

[1] Records, p. 190.

[2] Id., pp. 191-192.

[3] Id., p. 189.

[4] Id., p. 10.

[5] Id., p. 7.

[6] Art. 1391, New Civil Code.

[7] Id., p. 319.

[8] Rollo, p. 78.

[9] Rojas v. Court of Appeals, G.R. No. 77668, 26 December 1990, 192 SCRA 709.

[10] Records, p. 4.

[11] Article 1380 of the Civil Code.

[12] Records, p. 317.

[13] G.R. Nos. 54719-50, 17 January 1985, 134 SCRA 105, 127, quoting Osborn, The Problem of Proof, pp. 481-482.

[14] Id., p. 133.

[15] Testamentaria de la Finada de Maria Zuñiga v. Vda. de Vidal, 91 Phil. 126 (1952).

[16] No. L-27559, 18 May 1972, 45 SCRA 44.

[17] G.R. No. 61113, 21 February 1990, 182 SCRA 420.

[18] Ingaran v. Ramelo, 107 Phil. 498 (1960).

[19] Agne v. Director of Lands, No. L-40399, 6 February 1990, 181 SCRA 793.

[20] Zabat v. Court of Appeals, No. L-36958, 10 July 1986, 142 SCRA 587.

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