

**PEPITO S. PUA, AND HIS SPOUSE LOURDES UY (DECEASED)
REPRESENTED BY HER LEGAL HEIRS, NAMELY PEPITO S. PUA, AS
SURVIVING HUSBAND, AND THE MINORS PHILIP PUA, ESMERALDA
PUA, PETER P...**

G.R. No. 134992. November 20, 2000

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

The instant petition for review on certiorari seeks the reversal of the decision, dated July 31, 1997; and resolution, dated June 19, 1998, of the Court of Appeals, which affirmed in toto the decision of the Regional Trial Court of Cauayan, Isabela, Second Judicial Region, Branch 19.

The antecedent facts, as found by the trial court, are as follows:

The plaintiff Myrna S. Pua and the defendant Pepito S. Pua are sister and brother, respectively, their mother being Jovita S. Pua. The latter was the former owner of the land in controversy (Exhibit M-1) together with a commercial building erected thereon (Exh. M). Pepito S. Pua being her eldest son, she placed the land in question in his name (Exh. A) but she continued to exercise rights of dominion over said property together with the building thereon by renting the same to a certain Cesar Calitis (Exh. G-1). On November 11, 1980, as representative of Pepito S. Pua, Jovita S. Pua entered into an amicable settlement in an ejection case commenced by the latter against the intervenor Arsenio Uy wherein she agreed to convey to Arsenio Uy twelve (12) square meters of the land in question (Exh. C-Int.). On April 27, 1981, the sale of the twelve square meters was registered (Entry 543 in Exh. A), hence, the remaining unencumbered portion of the land covered by said title is only 620 square meters.

As she intended this lot for her daughter Myrna S. Pua, she required Pepito S. Pua to convey the same to his sister. In obedience thereto, Pepito and his wife, Lourdes Uy, executed a Deed of Donation in favor of Myrna S. Pua on December 2, 1989 (Exh. B) and the owner's duplicate copy of TCT No. T-76755 (Exh. A) was delivered to her. As owner of the lot and building erected thereon, Myrna S. Pua leased the same to one Cesar Calitis on April 3, 1992 (Exh. G). On June 22, 1992 Myrna, however, executed a document promising to sell the same property to the intervenors Arsenio Uy and Rosita Uy for a consideration of P1,200,000.00 (Exh. D-Int.) out of which P400,000.00 was already paid (Exhs. D-1, D-2 and D-3-Int.).

On June 12, 1991, a certified true copy of an order in LRC Petition No. 75 of the RTC, Branch 16 directing the reconstitution of the original and owner's duplicate of TCT No. T-76755, was registered (Exh. L). On July 12, 1991, the original and owner's duplicate copy of said title was issued by the Register of Deeds (Exh. D, see entry No. 6653 at the back of Exh. D). When subpoenaed by this Court to produce the record of LRC Petition No. 75, Atty. Benito Sales, Jr., the Clerk of Court of Branch 16 of the RTC at (sic) Ilagan, Isabela, failed to present the same. On the witness stand, he declared that there was no such petition docketed in said Court on May 8, 1991; and that the LRC Case No. 75 appears in the record of said Court to have been filed on January 10, 1984 by one Jaime Guzman for the reconstitution of TCT No. T-455633. He, however, admitted that his signature in Exhibits S (copy of the petition) and L (certifying that the order of June 11, 1991 is a true copy)

are genuine.

On March 5, 1992, a Deed of Absolute Sale of the remaining 620 square meters, executed by Pepito S. Pua and Lourdes Uy on January 4, 1979 in favor of Johnny P. Uy, a minor represented by Leoncia Coloma Uy (Exh. 4-Uy) and ratified by Valentin G. Remigio, was registered in the Office of the Register of Deeds (see Entry No. 1724 in Exh. D) and as a consequence of said registration TCT No. T-206151 in the name of 'Johnny Uy, minor, represented by his auntie and natural guardian Leoncia Coloma Uy' was issued (Exh. 1-Uy). On January 10, 1990 another deed of absolute sale of the same property was executed by Pepito S. Pua and Lourdes Uy in favor of the same Johnny P. Uy, also represented by Leoncia Coloma, which was ratified by notary public Constante B. Albano (Exh. 3-Uy). This document was not registered in the Office of the Register of Deeds.

During the trial Jovencio Tattao y Nuñez, OIC Clerk of Court of Branch 22 of the RTC at (sic) Cabagan, Isabela testified that the late Atty. Valentin G. Remigio was the Clerk of Court of the CFI Branch III at (sic) Cabagan now RTC Branch 22, from 1977 up to 1980 when he was appointed Municipal Judge of the MTC of Alicia, Isabela; and that among the documents on file in the said Court and ratified by said Atty. Remigio in his capacity as a notary public are Exhibits N, N-1, to N-12. Upon motion of the plaintiff, these documents, containing the genuine signatures of notary public Valentin Remigio ratified by him in the month of January, 1979, together with the deed in favor of Johnny P. Uy dated January 4, 1979 (Exh. 4- Uy) were submitted for handwriting examination to the PNP Crime Laboratory at Camp Crame, Quezon City. Rosario Perez y Cain, a handwriting expert from said office declared during the trial that after a thorough examination of the genuine signatures of notary public Valentin G. Remigio in Exhs. N, N-1 to N-12, and his alleged signature in Exh. 4-Uy, she arrived at a conclusion that his signature in exhibit 4-Uy was not written by him (Exh. R-Int.). Her testimony and findings were never refuted by the defendants.

The evidence further shows that Johnny P. Uy was delivered by Preciosa Uy at the Chinese General Hospital in Manila on March 1, 1980 (Exhs. 6, 6-A-1, 6-B-Uy). Her husband, Pedro Domingo Uy is a Chinese national but was naturalized as a Filipino on January 16, 1976 (Exh. 7-Uy). In his income tax return for the year 1990 (Exh. 8-Uy) Johnny P. Uy appears to be Pedro Domingo Uy's lone dependent. Lino Uy and Mario Uy, the spouses of Jolly Gan Uy and Leoncia Coloma, respectively, are the brothers of Pedro Domingo Uy and both are Chinese citizens. In their Joint Affidavit (Exh. 9-Uy), Pedro Domingo Uy and Preciosa Uy alleged among others that they gave their son Johnny P. Uy to the spouses Lino Uy and Jolly Gan Uy upon his birth and Leoncia Coloma purchased the land in question for Johnny P. Uy on January 4, 1979. (Rec., pp. 452-455).[1]

On January 31, 1995, the trial court rendered a decision, the dispositive portion of which reads as follows:

WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered:

- Declaring the Deed of Donation (Exh. B) executed by the defendant Pepito S. Pua and his late wife Lourdes Uy in favor of plaintiff valid and binding against the donors and theirs heirs and/or successors-in-interest;
- Declaring the deeds of sale (Exhs. 4-Uy and 3-Uy) in favor of Johnny P. Uy null and void;
- Declaring the reconstituted copy of the original and owner's duplicate copy of TCT No. T-76755 (Exh. D) issued pursuant to the spurious and/or falsified order (Exh. L) in LRC Case No. 75 of the RTC, Branch 16 null and void;
- Declaring TCT No. T-206161 (Exh. 1-Uy) issued to Johnny P. Uy null and void and ordering the Register of Deeds to reinstate TCT No. T-76755;
- Declaring Johnny P. Uy the legitimate child of the spouses Pedro Domingo Uy and Preciosa Uy and not that of the spouses Lino Uy and Jolly Gan Uy;
- Declaring Johnny P. Uy as the dummy of Leoncia Uy in acquiring the land in question;

- Recommending to the Anti-Dummy Board the prosecution of Pepito S. Pua, Leoncia Uy, Johnny P. Uy and the spouses Pedro Domingo Uy and Preciosa Uy for violation of the Anti-Dummy Law;
- Recommending to the Ombudsman the prosecution of Atty. Benito Sales, Jr., Clerk of Court of the RTC, Branch 16, Ilagan, Isabela, for falsifying the order of reconstitution in LRC Case No. 75 (Exh. L);
- Recommending to the Supreme Court that disciplinary action be taken against Atty. Benito Sales, Jr., Clerk of Court, RTC, Branch 16, Ilagan, Isabela for falsifying the order of reconstitution of TCT T- 76755 dated June 11, 1991 in LRC Case No. 75 of said court, and for this purpose directing the Clerk of Court to furnish the Supreme Court, through the Court Administrator, a copy of this decision; and
- Ordering the defendants to pay the costs.

SO ORDERED. (Rec., pp. 473-475)[2]

Dissatisfied with the trial court's decision, petitioners brought the case on appeal to the Court of Appeals. On July 31, 1997, the appellate court rendered a decision, affirming in toto the trial court's ruling. Hence, this petition wherein the petitioners raise the following issues, to wit:

I

The respondent Court of Appeals ERRED when it upheld the ruling of the Regional Trial Court that the Deeds of Sale in favor of petitioner Johnny Uy and TCT No. T-206151 issued in his name was null and void.

A. The respondent Court of Appeals erred in relying on the questionable testimony of the purported PNP handwriting expert.

B. The respondent Court of Appeals wrongly applied the law on agency and representation in the case at bar.

C. Granting arguendo that the 1979 Deed of Sale was invalid, the respondent Court of Appeals still erred when it did not consider the established fact that there was actually a sale of the property in question in favor of petitioner Leoncia Coloma in the said year.

D. The respondent Court of Appeals erred when it upheld the lower court's erroneous finding that 1979 Deed of Sale was void because petitioner Johnny Uy lacked legal capacity.

E. The respondent Court of Appeals further ERRED in not recognizing petitioner Leoncia Coloma as an innocent purchaser for value, having relied on the title presented to her by the registered owner, which upon verification with the Register of Deeds was clean and free from any lien and/or encumbrance.

F. In not finding that the alleged reconstitution of TCT No. T-76755 by the Regional Trial Court, Branch 16 of Ilagan, Isabela in LRC Case No. 75 does not invalidate the transfer to and title of petitioner Leoncia Coloma over the subject property, respondent Court of Appeals committed another error.

G. The respondent Court of Appeals erred in not finding petitioner Leonica Coloma's right superior to that of private respondent Myrna Pua based on the principle of double sale.

II

The respondent Court of Appeals ERRED when it upheld the ruling of the lower court that the Deed of Donation in favor of private respondent Myrna Pua was valid and binding for the following reasons:

A. The alleged Deed of Donation cannot be given effect and validity considering the fact that the signature of the alleged donor therein was not genuine.

B. As admitted by private respondent Myrna Pua AGAINST HER OWN INTEREST the property belonged to Jovita Pua, her mother, and thus, the donation thereof to her by a person other than the real owner is not valid.

C. Private respondent Myrna Pua's admission that her mother Jovita Pua was leasing the subject property subsequent to the execution of the alleged Deed of Donation, if believed to be true, shows that her mother never intended to actually part therewith during her lifetime, and as such, the alleged donation in her favor being mortis causa is void for failure to comply with the formalities of a will.

III

The respondent Court of Appeals ERRED when it upheld the ruling of the lower court that petitioner Johnny Uy was the dummy of petitioner Leoncia Coloma and its recommendation for the prosecution of petitioners Pepito Pua, Leoncia Coloma and Johnny Uy as well as spouses Pedro Domingo Uy and Preciosa Uy for violation of the Anti-Dummy Law.

A. The basis of the alleged violation of the Anti-Dummy Law that petitioner Leoncia Coloma's husband is an alien, and hence, disqualified to acquire the land in question is immaterial because as found by the lower court and upheld by respondent Court of Appeals, it was petitioner Leoncia Coloma who was the ACTUAL BUYER.

B. Petitioners Leoncia Coloma and Johnny Uy, being Filipino citizens, are undeniably qualified to own real property.

C. Spouses Pedro Domingo Uy and Preciosa Uy had nothing to do with the purchase of the subject property since, as found by the lower court and affirmed by respondent Court of Appeals, inasmuch as petitioner Leoncia Coloma was the one who bought the said property.

D. Besides, assuming the Deeds of Sale in question to be void in themselves, a prosecution under the Anti-Dummy Law could not prosper because being invalid such Deeds are of no consequence.

E. Moreover, assuming the admission of private respondent Myrna Pua that Jovita Pua owned the property to be true, Jovita Pua could not even be prosecuted for violation of the Anti-Dummy Law for allegedly registering the property in his (sic) son's name.[3]

Petitioners' arguments are summarized as follows:

1. Petitioner Pepito S. Pua and his now deceased wife Lourdes Uy offered to sell the land in dispute to petitioner Leoncia Coloma sometime in 1978. True to their offer, they sold the said property to Leoncia Coloma on January 4, 1979, as evidenced by a Deed of Sale notarized by notary public, Atty. Valentin Remigio. Delivery of the original owner's duplicate copy of the Transfer Certificate of Title No. T-76755 was, however, withheld by the spouses Pepito S. Pua and Lourdes Uy until full payment of the total consideration was made.[4]
2. While the actual vendee of the subject property was petitioner Leoncia Coloma, the latter opted to put the name of her yet unborn nephew, Johnny P. Uy, in the Deed of Sale.[5]
3. On January 10, 1990, upon agreement of the spouses Pepito S. Pua and Lourdes Uy as vendors, and Leoncia Coloma as vendee, another Deed of Sale was executed by them and notarized by Atty. Constante B. Albano. Petitioners allege that the said second Deed of Sale was executed simply to confirm the previous sale of January 4, 1979.[6]
4. From the time of sale in 1979, petitioner Leoncia Coloma and the other legal heirs of Lourdes Uy have been in peaceful possession of the land in question.[7]
5. The aforesaid Deeds of Sale executed by the spouses Pepito S. Pua and Lourdes Uy in favor of Leoncia Coloma are valid and binding in all respects. The findings of the trial court, as affirmed by respondent Court of Appeals, that the 1979 Deed of Sale is null and void because the purported signature of notary public Atty. Valentin Remigio therein was forged are erroneous. Granting that the notary public did not sign the acknowledgment

portion of the 1979 Deed of Sale, such defect is not fatal to the validity of the sale as it simply transformed the said deed from a public document into a private document. Petitioners asseverate that it is not a requirement for the validity of a contract of sale of a parcel of land that it be embodied in a public instrument.[8] The defect should be considered rectified with the execution of the 1990 Deed of Sale which should be made to retroact to the date when the sale was perfected in 1979.

6. The appellate court's invocation of the law of agency in the instant case is faulty. It does not find application in the controversy at hand. Petitioner Leoncia Coloma did not act in a representative capacity in buying the subject property, as it was she who was the actual buyer of the said land. The naming of the property in favor of petitioner Johnny Uy was done in accordance with the Chinese tradition of naming property in favor of an unborn male child. The fact that Leoncia Coloma wanted to give the property to her nephew should not affect the validity of the sale.[9] Additionally, since it was Leoncia Coloma who was the actual buyer and not Johnny Uy, respondent Court of Appeals allegedly erred in finding that the contract of sale was invalid because of lack of legal capacity of said Johnny Uy.

7. Leoncia Coloma should be considered an innocent purchaser for value inasmuch as she was not aware of any lien or encumbrance over the property, for none had been registered with the Register of Deeds. Moreover, the invalidity of the alleged reconstitution of TCT No. T-76755 by the RTC, Branch 16 of Ilagan, Isabela in LRC Case No. 75 does not affect the rights of petitioner Leoncia Coloma to the property in dispute. As stated earlier, Leoncia Coloma simply relied on what appeared on the title of her vendors, and on its face, there was nothing wrong or irregular with it. In fact, petitioners allege that the Register of Deeds duly registered the said order of reconstitution. Citing a decided case,[10] petitioners asseverate that "the rights of an innocent purchaser for value must be respected and protected notwithstanding the fraud employed by the seller in securing his title."

8. The appellate court erred in not finding that Leoncia Coloma's right was superior to private respondent Myrna Pua's based on the principle of double sale. Leoncia Coloma is the preferred transferee of the land in question, inasmuch as she registered the 1979 Deed of Sale in good faith before she became aware of private respondent Myrna Pua's supposed claim. On the other hand, the alleged 1989 Deed of Donation in favor of private respondent Myrna Pua was never registered. Even assuming that the registration in favor of Leoncia Coloma was void, she still had a superior right over the property, having been in possession thereof since 1979.[11]

9. The Deed of Donation in favor of private respondent Myrna Pua alleging that the signature of the donor, Pepito Pua is not valid as the signature of the donor, Pepito Pua, therein was not genuine. Moreover, Myrna Pua admitted against her own interests that the subject property was actually owned by her mother Jovita Pua; hence, Pepito Pua could not have validly donated the same to her as he was not the real owner thereof.[12]

10. The admission of private respondent Myrna Pua that her mother Jovita Pua continued to lease out the subject property subsequent to the execution of the Deed of Donation, if true, shows that said Jovita Pua never intended to actually part therewith during her lifetime; consequently, the alleged donation in Myrna Pua's favor, being mortis causa, is void for failure to comply with the formalities of a will.[13]

11. Finally, the Court of Appeals erred in upholding the ruling of the trial court that petitioner Johnny Uy was the dummy of Leoncia Coloma; and in recommending that petitioners Pepito Pua, Leoncia Coloma and Johnny Uy as well as spouses Pedro Domingo Uy and Preciosa Uy be prosecuted for violation of the Anti-Dummy Law. There is no basis for said ruling as the parties involved in the 1979 and 1990 Deeds of Sale are Filipino citizens and not aliens. It was clearly established at the trial that petitioner Leoncia Coloma is a Filipino citizen, while her husband was a Chinese national who was later naturalized as a Filipino. Petitioner Johnny Uy was found to be the son of Preciosa Uy who is also a Filipino and Pedro Domingo Uy who was a Chinese national but was naturalized as a

Filipino on January 16, 1976.[14]

We find the petitioners' contentions bereft of merit.

It is axiomatic that the findings of fact of the trial court, especially when affirmed by the Court of Appeals, are binding and conclusive on the Supreme Court.[15] The issue of whether a contract is simulated or real is factual in nature.[16] In the case at bar, the Court finds no cogent reason to disturb the findings of both courts below where the facts found by the Court of Appeals sustaining the trial court readily converge towards one conclusion[17]-that the alleged sales by Pepito Pua in favor Johnny P. Uy in 1979 and 1990 were absolutely simulated. The evidence shows that Johnny P. Uy who was named in the deed of sale as the buyer, was actually born on March 1, 1980. The said deed of sale in his favor was executed on January 4, 1979. Thus, the appellate court correctly found that since said Johnny P. Uy was not even conceived yet at the time of the alleged sale, he therefore had no legal personality to be named as a buyer in the said deed of sale. Neither could he have given his consent thereto.[18]

Article 1318 of the New Civil Code provides:

Art. 1318. There is no contract unless the following requisites concur:

- (1) Consent of the contracting parties;
- (2) Object certain which is the subject matter of the contract;
- (3) Cause of the obligation which is established.

The contract of sale is perfected at the moment there is a meeting of the minds upon the thing which is the object of the contract and upon the price.[19] Consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract.[20] Unemancipated minors, insane or demented persons, and deaf-mutes who do not know how to write can not validly give consent to contracts.[21] In the instant case, Johnny P. Uy could not have validly given his consent to the contract of sale, as he was not even conceived yet at the time of its alleged perfection. The appellate court, therefore, correctly ruled that for lack of consent of one of the contracting parties, the deed of sale is null and void.

The appellate court likewise correctly found that Leoncia Coloma could not have acted as representative of Johnny P. Uy. In the first place, she did not have the right to represent Johnny P. Uy for lack of legal authority to act for and in behalf of said minor.[22] It is well-settled that without authority from the Court, no person can make a valid contract for or on behalf of a minor.[23] Besides, petitioners themselves insist that Leoncia Coloma was not acting in a representative capacity when she purchased the subject, but rather, that she was acting in her own behalf as the actual buyer of said land.

In light of the above findings regarding the nullity of the deeds of sale, the issue of whether or not the defect in the 1979 Deed of Sale has been rectified by the subsequent Deed of Sale, dated January 10, 1990, has become moot and academic. As found by the appellate court, an absolutely simulated contract is not susceptible of ratification.

The Court of Appeals further found that, on the other hand, private respondent Myrna S. Pua was able to show and prove during the trial that petitioners Pepito S. Pua and his wife Lourdes Uy, now deceased, signed and executed a notarial instrument of Donation Inter Vivos on December 2, 1989 (Exh. "B") and entered as Doc. No. 394; Page No. 80; Book No. 63; Series of 1989 in the Notarial Register of Notary Public Godofredo P. Melegrito of San Mateo, Isabela, conveying by way of donation inter vivos, the parcel of land subject of this case and which was duly accepted by private respondent as donee.[24]

Anent petitioners' allegation that the donation, if there was any, was one mortis causa; hence, void for failure to

comply with the formalities of a will, such contention is likewise without merit. The trial court has found as a fact that as owner of the lot and building erected thereon, Myrna S. Pua leased the same to one Cesar Calitis on April 3, 1992 (Exh. G). On June 22, 1992, Myrna however, executed a document promising to sell the same property to the intervenors Arsenio Uy and Rosita Uy for a consideration of P1,200,000.00 (Exh. D-Int.) out of which P400,000.00 was already paid (Exhs. D-1, D-2 and D-3-Int.).[25]

Petitioners' allegations that the deed of donation was obtained through fraud and undue influence and that the signatures of Pepito S. Pua and Lourdes Uy were forged, has not been fully substantiated. They did not present any strong and conclusive evidence during the trial to override the evidentiary value of the duly notarized deed of donation.[26] Their belated attempt to introduce a National Bureau of Investigation Report containing the conclusion that the signature of Pepito S. Pua in the December 2, 1989 Deed of Donation was not genuine cannot be entertained by the Court, as said document is being introduced for the first time on appeal. It is well-settled that issues not raised in the court a quo cannot be raised for the first time on appeal in the Supreme Court without violating the basic rules of fair play, justice and due process.[27]

Anent petitioners' contention that petitioner Leoncia Coloma has a superior right to the property, having registered in good faith the Deed of Sale in favor of her nephew Johnny Uy in the Register of Deeds, while the Deed of Donation in favor of private respondent Myrna Pua was never registered, this may very well be true, for indeed, the rule is that a deed of sale which has been duly registered prevails over that which has not. However, as correctly found by the Court of Appeals, the above doctrine finds no application in the instant case because the Deed of Sale which was executed on January 4, 1979 was absolutely simulated, hence, null and void.

Finally, on petitioners' allegation that there is no basis for the trial court's recommendation that they be prosecuted for violation of the Anti-Dummy Law, we are inclined to agree with petitioners on this point.

The acts sought to be punished by the Anti-Dummy Law are allowing the use of the name of a citizen of the Philippines for the purpose of evading any constitutional or legal provision requiring Philippine citizenship as a requisite for the exercise or enjoyment of a right, franchise or privilege, and the profiting of any alien thereby.[28] It punishes the evasion of nationalization laws (by the use of dummies) and prohibits aliens from intervening in the management, operation, administration or control of any nationalized activity, wholly or partially but to an extent of not less than sixty percent (60%), whether as an officer, employee or laborer, as well as imposing criminal sanctions on the president, managers, board members or persons in charge of the violating entity and causing the latter to forfeit its privileges, rights and franchises.[29]

In the instant case, the trial court based its recommendation on its finding that the alleged buyer, Leoncia Coloma, was married to a Chinese citizen. The trial court thus concluded that "as her husband is an alien disqualified under the Constitution of the Philippines to acquire the land in question, to circumvent this law, she placed the title of the property in the name of Johnny P. Uy who, because of the latter's close affinity with her husband could be her trustee." [30]

However, no evidence was presented by the private respondents to show that it was Leoncia Coloma's husband who was the actual buyer of the subject property. Nor was evidence adduced to support the conclusion that the spouses Pedro Domingo Uy and Preciosa Uy had any participation in the sale. As for Johnny Uy, he was merely a child at the time of the alleged transaction, and private respondents failed to prove that he was aware of its significance. Hence, there is no sufficient basis for the prosecution of petitioners for violation of the Anti-Dummy Law.

WHEREFORE, in view of the foregoing, the decision appealed from is hereby **AFFIRMED** with the **MODIFICATION** that the portion of the appellate court's decision recommending the prosecution of petitioners

Pepito Pua, Leoncia Coloma and Johnny Uy as well as spouses Pedro Domingo Uy and Preciosa Uy for violation of the Anti-Dummy Law, be deleted.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Ynares-Santiago, JJ., concur.

[1] Rollo, pp. 56-59.

[2] Id., at 54-56.

[3] Id., at 19-21.

[4] Id., at 16.

[5] Id.

[6] Id.

[7] Id., at 17.

[8] Id., at 23-24.

[9] Id., at 28-29.

[10] Eduarte vs. Court of Appeals, 253 SCRA 391 (1996).

[11] Rollo, pp. 36-37.

[12] Id., at 38-42.

[13] Id., at 42.

[14] Id., at 46.

[15] Lagandaon vs. Court of Appeals, 290 SCRA 330 (1998).

[16] People's Aircargo and Warehousing Co., Inc. vs. Court of Appeals, 297 SCRA 170 (1998).

[17] Suplico vs. Court of Appeals, 257 SCRA 397 (1996).

[18] Rollo, p. 60.

[19] Co vs. Court of Appeals, 286 SCRA 76 (1998).

[20] New Civil Code, Art. 1319.

[21] New Civil Code, Art. 1327.

[22] Id., at 60.

[23] Ibanez vs. Rodriguez, 47 Phil. 554 (1925).

[24] Rollo, p. 61.

[25] Id., at 56-57.

[26] Id., at 61.

[27] Salao vs. Court of Appeals, 284 SCRA 493 (1998).

[28] The Anti-Dummy Law (C.A. No. 180, as amended).

[29] Vitug, Pandect of Commercial Law and Jurisprudence, 1990, p. 498.

[30] Rollo, p. 45.

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