

DR. JOSE AND AIDA YASON, PETITIONERS, VS. FAUSTINO ARCIAGA, FELIPE NERI ARCIAGA, DOMINGO ARCIAGA, AND ROGELIO ARCIAGA, RESPONDENTS.*G.R. NO. 145017. January 28, 2005*

Ponente: SANDOVAL-GUTIERREZ, J.

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Before us is a petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Amended Decision[1] of the Court of Appeals dated September 13, 2000 in CA G.R. CV No. 55668, entitled “Faustino Arciaga, et. al. vs. Dr. Jose Yason and Aida Yason.”

The factual antecedents as borne by the records are:

Spouses Emilio and Claudia Arciaga were owners of Lot No. 303-B situated in Barangay Putatan, Muntinlupa City, with an area of 5,274 square meters covered by TCT No. 40913 of the Registry of Deeds of Makati City. On March 28, 1983, they executed a Deed of Conditional Sale whereby they sold Lot No. 303-B for P265,000.00 to spouses Dr. Jose and Aida Yason, petitioners. They tendered an initial payment of P150,000.00. On April 19, 1983, upon payment of the balance of P115,000.00, spouses Emilio and Claudia Arciaga executed a Deed of Absolute Sale. That day, Claudia died. She was survived by her spouse and their six (6) children, namely: Faustino, Felipe Neri, Domingo, Rogelio, Virginia, and Juanita.

Petitioners had the Deed of Absolute Sale registered in the Registry of Deeds of Makati City. They entrusted its registration to one Jesus Medina to whom they delivered the document of sale and the amount of P15,000.00 as payment for the capital gains tax. Without their knowledge, Medina falsified the Deed of Absolute Sale and had the document registered in the Registry of Deeds of Makati City. He made it appear that the sale took place on July 2, 1979, instead of April 19, 1983, and that the price of the lot was only P25,000.00, instead of P265,000.00. On the basis of the fabricated deed, TCT No. 40913 in the names of spouses Arciaga was cancelled and in lieu thereof, TCT No. 120869 was issued in the names of petitioners.

Subsequently, petitioners had Lot No. 303-B subdivided into 23 smaller lots. Thus, TCT No. 120869 was cancelled and in lieu thereof, TCT Nos. 132942 to 132964 were issued. Petitioners then sold several lots to third persons, except the 13 lots covered by TCT Nos. 132942, 132943, 132945, 132946, 132948, 132950, 132951, 132953, 132954, 132955, 132958, 132962 and 132963, which they retained.

Sometime in April 1989, spouses Arciaga’s children learned of the falsified document of sale. Four of them, namely: Faustino, Felipe Neri, Domingo and Rogelio, herein respondents, caused the filing with the Office of the Provincial Prosecutor of Makati City a complaint for falsification of documents against petitioners, docketed as I.S No. 89-1966. It was only after receiving the subpoena in April 1989 when they learned that the Deed of Absolute Sale was falsified. However, after the preliminary investigation, the Provincial Prosecutor dismissed the complaint for falsification for lack of probable cause.

Undaunted, respondents, on October 12, 1989, filed with the Regional Trial Court (RTC), Branch 62, Makati City, a complaint for annulment of the 13 land titles, mentioned earlier, against petitioners. Respondents alleged inter alia that the Deed of Absolute Sale is void ab initio considering that (1) Claudia Arciaga did not give her consent to the sale as she was then seriously ill, weak, and unable to talk and (2) Jesus Medina falsified the Deed of Absolute Sale; that without Claudia's consent, the contract is void; and that the 13 land titles are also void because a forged deed conveys no title.

In their answer, petitioners specifically denied the allegations in the complaint and averred that they validly acquired the property by virtue of the notarized Deed of Conditional Sale and the Deed of Absolute Sale executed by spouses Emilio and Claudia Arciaga, respondents' parents. The Deed of Absolute Sale was duly signed by the parties in the morning of April 19, 1983 when Claudia was still alive. It was in the evening of the same day when she died. Hence, the contract of sale is valid. Furthermore, they have no participation in the falsification of the Deed of Absolute Sale by Medina. In fact, they exerted efforts to locate him but to no avail.

On August 29, 1995, the trial court rendered a Decision dismissing respondents' complaint and sustaining the validity of the Deed of Conditional Sale and the Deed of Absolute Sale. The dispositive portion reads:

"WHEREFORE, Premises Considered, the COMPLAINT is hereby ordered DISMISSED, without pronouncement as to costs.

SO ORDERED."

In their appeal to the Court of Appeals, respondents alleged that the trial court clearly overlooked vital and significant facts which, if considered, would alter the result. Likewise, the trial court erred in concluding that the Deed of Absolute Sale forged by Medina transferred ownership to the vendees, being buyers in good faith; and in finding that Claudia Arciaga consented to the sale of the lots to petitioner spouses.[2]

Initially, the Court of Appeals in its Decision dated February 21, 2000 affirmed the trial court's ruling. But upon respondents' motion for reconsideration, the Appellate Court reconsidered its Decision. In its Amended Decision, it declared the Deed of Absolute Sale void, thus:

"WHEREFORE, Our decision dated February 21, 2000 is hereby SET ASIDE. The Deed of Absolute Sale dated April 19, 1983 is hereby declared null and void. The Registry of Deeds for Makati City is hereby ordered to cancel TCT Nos. 132942, 132943, 132945, 132946, 132948, 132950, 132951, 132953, 132954, 132955, 132958, 132962 and 132963 issued in the name of Jose Yason and to reinstate TCT No. 40913 in the name of Emilio Arciaga.

SO ORDERED."

In reversing its own Decision, the Appellate Court held:

"There is no evidence showing that said July 2, 1979 Deed of Absolute Sale covering the subject property was ever executed by the parties. The appellees themselves who were supposedly the vendees did not even know of the existence of such sale. What the appellees were claiming was that they entrusted to one Jesus Medina the original copies of the purported Deed of Absolute Sale dated April 19, 1983 and the owner's copy of TCT No. 40913 together with the amount of P15,000.00 for capital gains tax and expenses for registration.

x x x

It turned out that Medina did not use the Deed of Sale dated April 19, 1983 but fabricated a Deed of Absolute Sale dated July 2, 1979 with a reduced consideration of P25,000.00.

x x x

Being a forged document, the July 2, 1979 Deed of Absolute Sale is indeed null and void.

It appears, however, that a Deed of Conditional Sale dated March 28, 1983 (Exh. 1, Record, p. 289) and a Deed of Absolute Sale dated April 19, 1983 (Exh. 2, Record, p. 290) were purportedly executed by Emilio Arciaga and the appellees and that the said property was allegedly sold for P265,000.00.

x x x

The curious part about the controversial deeds is the date of their supposed execution, especially the date of the Absolute Deed of Sale which coincides with the date of the death of Claudia Arciaga. Also intriguing is the fact that only a thumbmark and not a signature of Claudia Arciaga was affixed on the supposed deeds, when in fact she could definitely read and write.

Appellants claimed that their mother Claudia Rivera never gave her consent to the sale. They said that the thumbmark of their mother Claudia Arciaga was allegedly fixed on the Deed of Conditional Sale, if indeed it was prepared before the death of their mother on April 19, 1983, when she was already very ill and bedridden and could not anymore give her consent thereto, and the Deed of Absolute Sale was thumbmarked when she was already dead.

x x x

As between the testimony of the appellants and their sister Virginia Arciaga-Reyes, We are inclined to believe the claim of the former that their mother Claudia Rivera Arciaga died at around 10:00 in the morning.

x x x

The time when Claudia Rivera Arciaga actually died, to Us, is crucial if only to determine the credibility of witnesses.

As between Virginia Arciaga Reyes and Jacklyn de Mesa, the latter is more credible. She did not have any interest in the controverted property, unlike the appellants and Virginia Reyes, who are the children of Claudia Rivera Arciaga. The cardinal rule in the law of evidence is that the testimony must not only proceed from the mouth of a credible witness but must also be credible in itself (People vs. Serdan, G.R. 87318, September 2, 1992).

x x x

We certainly cannot believe the testimony of Virginia Arciaga Reyes that her mother Claudia went to the house of Atty. Fresnedi for the execution of the Deed of Conditional Sale. A person who is physically fit to travel can definitely write his signature, as only minimal effort is needed to perform this simple mechanical act. But what appeared in the deed was only a purported thumb mark of Claudia. Even Virginia Reyes said that her mother could write. Her testimony only supports the claim of the appellants that Claudia Rivera Arciaga was already very ill and weak when the Deed of Conditional Sale was purportedly executed, and was already dead when she was made to affix her thumb mark on the Deed of Absolute Sale.

x x x

In sum, the inconsistent testimonies of the appellee and his witnesses, particularly that of Virginia Arciaga Reyes, clearly show that Claudia Rivera Arciaga did not voluntarily affix her thumb mark on the Deed of Conditional Sale and Deed of Absolute Sale.”

Hence, this petition for review on certiorari alleging that the Court of Appeals erred in declaring the Deed of Absolute Sale void for lack of consent on the part of Claudia Arciaga and because the same document was forged by Medina.

The petition is impressed with merit.

The rule is that only questions of law may be raised in a petition for review on certiorari; and that the factual findings of the trial court, when adopted and confirmed by the Court of Appeals, are final and conclusive on this Court.[3] However, there are exceptions, such as when the findings of the Court of Appeals are contrary to those of the trial court,[4] as in this case.

In determining whether the Deed of Absolute Sale dated April 19, 1983 is valid, it must contain the essential requisites of contracts, viz: (1) consent of the contracting parties; (2) object certain which is the subject matter of the contract; and (3) cause of the obligation which is established.[5] A 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.[6] Consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract.[7] To enter into a valid legal agreement, the parties must have the capacity to do so.

The law presumes that every person is fully competent to enter into a contract until satisfactory proof to the contrary is presented. The burden of proof is on the individual asserting a lack of capacity to contract, and this burden has been characterized as requiring for its satisfaction clear and convincing evidence.

The Appellate Court, in its Amended Decision, held that the Deed of Absolute Sale is void for lack of consent on the part of Claudia Arciaga who could not have affixed her thumbmark thereon since she was very ill then. In fact, she died a few hours thereafter.

Thus, the basic issue for our resolution is whether Claudia Arciaga voluntarily affixed her thumbmark on the documents of sale.

Respondents contend that Claudia did not give her consent to the contracts of sale. Since she knew how to read and write, she should have signed each document instead of merely affixing her thumbmark thereon.

Domingo Arciaga, one of the respondents, testified that her mother Claudia was 82 years old when she died on April 19, 1983 due to “old age” and illness for four (4) months. On March 28, 1983, when the Conditional Deed of Sale was allegedly executed, she was already very weak and thin and could no longer speak. Considering her physical condition, she could not have affixed her thumbmark on the Conditional Deed of Sale that day.[8]

Domingo further testified that their mother Claudia, at the time of her death, was being attended to by his sisters Juanita and Virginia Arciaga; that he saw Virginia holding the thumb of their mother to enable her to affix her thumbmark on the Deed of Absolute Sale, then being held by Juanita, thus:

“Q: Now, you have examined the document entitled Deed of Sale dated April 19, 1983, when for the first time did you see this document?

A: When my mother died.

Q: When?

A: April 19, 1983.

Q: At what particular occasion or will you please tell the Honorable Court the circumstances how you were able to see this document on April 19, 1983?

A: This is like this. While my mother was being attended, I went over to the porch and I saw Mr. Rogelio Arciaga. We talked with each other. After that I went inside the house wherein I saw Juliana Arciaga holding that document, the Deed of Sale, and Virginia Arciaga was holding the thumb of mother affixing said thumb to the document.

Q: Who is Virginia Arciaga?

A: My sister.

Q: How about Juanita Arciaga?

A: My sister also.

Q: How about Rogelio Arciaga?

A: I have also a brother named Rogelio Arciaga but the one I mentioned has the same name as my brother.

Q: After that what happened?

A: I asked, what is that? And they told me that one parcel of land was sold already by us and they said that this is the Deed of Absolute Sale as proof that we have sold that parcel of land. I asked them: Why did you do that? It cannot be! Our mother is a good mother, why still permit her to commit a sin.

Q: After that what happened next?

A: They told me that they are not going to pursue with it and I told them it cannot be really done.”[9]

Domingo’s testimony was corroborated by his brother Felipe Arciaga who testified that their mother was already dead when her thumbmark was affixed on the document of sale, thus:

“Q: Did you hear any conversation between Domingo and your sisters holding the document?

A: Yes, sir.

Q: What was the conversation that you heard?

A: My brother said that it should not be thumbmarked since my mother is already dead. My sisters Virginia and Juanita replied that the thumb marking will no longer proceed.”[10]

Upon the other hand, petitioners maintain that Claudia voluntarily affixed her thumbmark on the Deeds of Conditional and Absolute Sale which were notarized by Atty. Jaime Fresnedi. and Absolute Sale which were notarized by Atty. Jaime Fresnedi. Virginia Arciaga Andres, daughter of Claudia, testified that she took care of her mother. Five (5) months prior to the execution of the Conditional Deed of Sale on March 28, 1983, her parents informed her and her siblings that they would sell their land. After the sale, her brother Felipe Neri borrowed P50,000.00 from their father. Her father signed the two documents of sale, while her mother affixed her thumbmark thereon. Then Atty. Jaime Fresnedi notarized the Conditional Deed of Sale in his office, while the Deed of Absolute Sale was notarized in her house. Her brothers (respondents herein) were all notified of the sale.[11]

Atty. Jaime Fresnedi testified that he notarized the subject documents and knew that Claudia affixed her thumbmark thereon, thus:

“Q: What is the importance of the signatures in these two (2) documents?

A: That the parties who executed these documents appeared before me, your Honor.

x x x

Q: And when did you notarize the said document, this Deed of Absolute Sale dated April 19, 1983?

A: It was notarized in the same date.

Q: Where was it notarized?

A: It was also notarized in my office.

A: Yes, sir.[12]

x x x

Q: Do you know personally Claudia Arciaga, the wife of Emilio Arciaga?

A: No, I do not know her personally.

x x x

Q: Prior to the execution of this document, Absolute Deed of Sale dated April 19, 1983, have you not met Claudia Rivera?

A: I cannot remember.

x x x

Q: When you notarized this document on April 19, 1983, did you talk to Claudia Rivera?

A: I cannot remember.[13]

x x x

COURT:

Q: Did you ascertain whether the person who affixed that thumbmark was really CLAUDIA ARCIAGA?

A: Yes, your Honor.

Q: What means did you take to ascertain that the one who affixed that thumbmark was CLAUDIA ARCIAGA?

A: Because, your Honor, when there is a party, not necessarily your Honor in this case, whenever a party would request me to prepare a document and notarize such document, I asked his name and he answered. Let us say for example, this Mr. dela Cruz, he says he is Mr. dela Cruz or Mrs. Arciaga. That thru that introduction I knew that they were the ones who affixed their signatures or affix their thumbmarks.

Q: In this particular case, did you do that?

A: Yes, your Honor.”[14]

The Court of Appeals, reversing the trial court, held that respondents were able to prove that Claudia Arciaga could not have affixed her thumbmark voluntarily on the Conditional Deed of Sale as “she was already very ill and bedridden and could not anymore give her consent thereto;” and that “the Absolute Deed of Sale was thumbmarked when she was already dead.”

While it is true that Claudia was sick and bedridden, respondents failed to prove that she could no longer understand the terms of the contract and that she did not affix her thumbmark thereon. Unfortunately, they did not present the doctor or the nurse who attended to her to confirm that indeed she was mentally and physically incapable of entering into a contract. Mere weakness of mind alone, without imposition of fraud, is not a ground for vacating a contract.[15] Only if there is unfairness in the transaction, such as gross inadequacy of consideration, the low degree of intellectual capacity of the party, may be taken into consideration for the purpose of showing such fraud as will afford a ground for annulling a contract.[16] Hence, a person is not incapacitated to enter into a contract merely because of advanced years or by reason of physical infirmities, unless such age and infirmities impair his mental faculties to the extent that he is unable to properly, intelligently and fairly understand the provisions of said contract. Respondents failed to show that Claudia was deprived of reason or that her condition hindered her from freely exercising her own will at the time of the execution of the Deed of Conditional Sale.

Also, it is of no moment that Claudia merely affixed her thumbmark on the document. The signature may be made by a person’s cross or mark even though he is able to read and write and is valid if the deed is in all other respects a valid one.[17]

Significantly, there is no evidence showing that Claudia was forced or coerced in affixing her thumbmark on the

Deed of Conditional Sale.

Respondents insist that their mother died in the morning of April 19, 1983, hence, she could no longer affix her thumbmark on the Deed of Absolute Sale. Petitioners, however, maintain that she died in the evening of that day and that she affixed her thumbmark on the deed in the morning of that same day.

Respondents should have offered in evidence the Certificate of Death of Claudia to show the exact date and time of her death. Again, they should have presented the attending physician to testify whether or not Claudia could still affix her thumbmark then.

As earlier mentioned, the burden is on the respondents to prove the lack of capacity on the part of Claudia to enter into a contract. And in proving this, they must offer clear and convincing evidence. This they failed to do.

The Court of Appeals also held that there is inconsistency in the testimonies of Virginia Arciaga and Atty. Jaime Fresnedi. While Virginia testified that the Deed of Absolute Sale was notarized in her house where Claudia lived, Atty. Fresnedi declared on the witness stand that he notarized the document in his office. The Appellate Court concluded that such inconsistency clearly shows that Claudia did not voluntarily affix her thumbmark on the document of absolute sale.

Records disclose, however, that when Atty. Fresnedi testified in court, nine (9) years had passed from the time he notarized the Deed of Absolute Sale. Considering the length of time that passed and the numerous documents he must have notarized, his failure to remember exactly where he notarized the contract of sale is understandable. Thus, we cannot sustain the finding and conclusion of the Court of Appeals on this point.

In *Chilianchin vs. Coquingo*,^[18] this Court held that a notarial document must be sustained in full force and effect so long as he who impugns it does not present strong, complete, and conclusive proof of its falsity or nullity on account of some flaws or defects provided by law. Here, respondents failed to present such proof.

It bears emphasis that a notarized Deed of Absolute Sale has in its favor the presumption of regularity, and it carries the evidentiary weight conferred upon it with respect to its execution.^[19]

All told, we are convinced and so hold that there was consent on the part of Claudia Arciaga when she executed the Conditional Deed of Sale and the Deed of Absolute Sale being assailed by respondents. These documents, therefore, are valid.

WHEREFORE, the challenged Decision of the Court of Appeals in CA-G.R. CV No. 55668 is REVERSED. The Decision of the RTC, Branch 62, Makati City dismissing respondents' complaint is AFFIRMED.

SO ORDERED.

Panganiban, (Chairman), Corona, Carpio-Morales, and Garcia, JJ., concur.

[1] Penned by Associate Justice Bernardo Ll. Salas (retired) and concurred in by Associate Justice Salome A. Montoya (retired) and Justice Presbitero J. Velasco, Jr. (now Court Administrator), Rollo at 85-111.

[2] CA-Brief for the Plaintiffs-Appellants at 18; CA Rollo at 66.

[3] *Prudential Bank of the Philippines vs. Court of Appeals*, G.R. No. 115324, February 19, 2003, 397 SCRA 651.

[4] *Go vs. Court of Appeals*, G.R. No. 112550, February 5, 2001, 351 SCRA 145, citing *Reyes vs. Court of Appeals*, 258 SCRA 651 (1996).

- [5] Article 1318, New Civil Code.
- [6] Co vs. Court of Appeals, G.R. No. 123908, February 9, 1998, 286 SCRA 76.
- [7] Art. 1319, New Civil Code.
- [8] Transcript of Stenographic Notes (TSN), August 29, 1991at 4-9.
- [9] Id. at 14-16.
- [10] TSN, February 20, 1992 at 11.
- [11] TSN, June 16, 1992 at 3-35.
- [12] TSN, January 7, 1992 at 9-12.
- [13] Id. at 15-16, 20.
- [14] TSN, January 7, 1992 at 32-33.
- [15] 17A Am Jur 2d & 232.
- [16] Id.
- [17] 23 Am Jur 2d & 112.
- [18] 84 Phil. 714 (1949).
- [19] Mendezona vs. Ozamiz, G. R. No. 143370, February 6, 2002, 376 SCRA 482.

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