PHILIPPINE NATIONAL BANK, PETITIONER, VS. HEIRS OF ESTANISLAO MILITAR AND DEOGRACIAS MILITAR, REPRESENTED BY TRANQUILINA MILITAR, RESPONDENTS.

G.R. NO. 164801. June 30, 2006

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

Before us are the motions for reconsideration filed by petitioners Philippine National Bank (PNB) in G.R. No. 164801 and Spouses Johnny Lucero and Nona Ariete (Lucero Spouses) in G.R. No. 165165 seeking a reconsideration of our August 18, 2005 Decision in these consolidated cases which affirmed in toto the June 4, 2004 Decision and August 4, 2004 Resolution of the Court of Appeals in CA-G.R. CV No. 54831 holding that both petitioners PNB and the Lucero Spouses were not mortgagee and buyers in good faith, respectively.

In their separate motions for reconsideration, both petitioners PNB and the Lucero Spouses in the main assert that they were mortgagee and buyers for value in good faith, respectively. Thus, the Lucero Spouses pray that we "take a second hard look at the facts and circumstances of the case." Respondents however argue that PNB cannot be considered a mortgagee in good faith as it failed to inspect the disputed property when offered to it as security for the loan, which could have led it to discover the forged instruments of sale. Similarly, the Lucero Spouses cannot be regarded as innocent purchasers for value, respondents' claim, as they failed to inquire from the occupants of the disputed property the status of the property. Before revisiting the facts and circumstances of the instant case, a review of existing jurisprudence may be expedient in resolving the twin motions for reconsideration.

In Cabuhat v. Court of Appeals, we said that "it is well-settled that even if the procurement of a certificate of title was tainted with fraud and misrepresentation, such defective title may be the source of a completely legal and valid title in the hands of an innocent purchaser for value. Thus –

> Where innocent third persons, relying on the correctness of the certificate of title thus issued, acquire rights over the property the court cannot disregard such rights and order the total cancellation of the certificate. The effect of such an outright cancellation would be to impair public confidence in the certificate of title, for everyone dealing with property registered under the Torrens system would have to inquire in every instance whether the title has been regularly or irregularly issued. This is contrary to the evident purpose of the law. Every person dealing with registered land may safely rely on the correctness of the certificate of title issued therefor and the law will in no way oblige him to go behind the certificate to determine the condition of the property.[1]

Cabuhat was later invoked by Clemente v. Razo[2] and Velasquez, Jr. v. Court of Appeals.[3] Accordingly, in Lim v. Chuatoco we said that "it is a familiar doctrine that a forged or fraudulent document may become the root of a valid title, if the property has already been transferred from the name of the owner to that of the forger. This doctrine serves to emphasize that a person who deals with registered property in good faith will acquire good title from a forger and be absolutely protected by a Torrens title. In the final analysis, the resolution of this case

depends on whether the petitioners are purchasers in good faith."[4]

In a litany of cases, we have defined a purchaser in good faith as one who buys property of another without notice that some other person has a right to, or interest in, such property and pays full and fair price for the same at the time of such purchase or before he has notice of the claim or interest of some other person in the property.[5]

Thus, as a general rule, where the land sold is in the possession of a person other than the vendor, the purchaser must go beyond the certificate of title and make inquiries concerning the actual possessor. A buyer of real property which is in possession of another must be wary and investigate the rights of the latter. Otherwise, without such inquiry, the buyer cannot be said to be in good faith and cannot have any right over the property.[6] We explained this principle in Consolidated Rural Bank (Cagayan Valley), Inc. v. Court of Appeals and also held therein that this rule likewise applies to mortgagees of real property[7] –

> As this Court explained in the case of Spouses Mathay v. Court of Appeals:
>
> Although it is a recognized principle that a person dealing on a registered land need not go beyond its certificate of title, it is also a firmly settled rule that where there are circumstances which would put a party on guard and prompt him to investigate or inspect the property being sold to him, such as the presence of occupants/tenants thereon, it is of course, expected from the purchaser of a valued piece of land to inquire first into the status or nature of possession of the occupants, i.e., whether or not the occupants possess the land en concepto de dueño, in the concept of the owner. As is the common practice in the real estate industry, an ocular inspection of the premises involved is a safeguard a cautious and prudent purchaser usually takes. Should he find out that the land he intends to buy is occupied by anybody else other than the seller who, as in this case, is not in actual possession, it would then be incumbent upon the purchaser to verify the extent of the occupant's possessory rights. The failure of a prospective buyer to take such precautionary steps would mean negligence on his part and would thereby preclude him from claiming or invoking the rights of a "purchaser in good faith."
>
> This Rule equally applies to mortgagees of real property. In the case of Crisostomo v. Court of Appeals the Court held –
>
> It is a well-settled rule that a purchaser or mortgagee cannot close his eyes to facts which should put a reasonable man upon his guard, and then claim that he acted in good faith under the belief that there was no defect in the title of his vendor or mortgagor. His mere refusal to believe that such defect exists, or his willful closing of his eyes to the possibility of the existence of a defect in the vendor's or mortgagor's title, will not make him an innocent purchaser or mortgagee for value, if it afterwards develops that the title was in fact defective, and it appears that he had such notice of the defects as would have led to its discovery had he acted with the measure of a prudent man in like situation.

Accordingly, for a purchaser of a property in the possession of another to be in good faith, he must exercise due diligence, conduct an investigation, and weigh the surrounding facts and circumstances like what any prudent man in a similar situation would do. In Domalanta v. Commission on Elections[8] we noted the use in other jurisdictions of the terms "man of reasonable caution"[9] and "ordinarily prudent and cautious man."[10] These terms, we said, are legally synonymous and their reference is not to a person with training in law such as a prosecutor or a judge but to the average man on the street. It ought to be emphasized that the average man weighs facts and circumstances without resorting to the calibration of our technical rules of evidence of which his knowledge is nil. Rather, he relies on the calculus of common sense of which all reasonable men have an abundance. And, "[b]y law and jurisprudence, a mistake upon a doubtful or difficult question of law may properly be the basis of good faith."[11]

On the other hand, a mortgagee, particularly a bank or financial institution whose business is impressed with public interest, is expected to exercise more care and prudence than a private individual in its dealings, even those

involving registered lands.[12] In Sunshine Finance and Investment Corp. v. Intermediate Appellate Court we presumed that an investment and financing corporation "is experienced in its business. Ascertainment of the status and condition of properties offered to it as security for loans it extends must be a standard and indispensable part of its operations. Surely, it cannot simply rely on an examination of a Torrens certificate to determine what the subject property looks like as its condition is not apparent in the document. The land might be in a depressed area. There might be squatters on it. It might be easily inundated. It might be an interior lot, without convenient access. These and other similar factors determine the value of the property and so should be of practical concern to the (investment and financing corporation)."[13]

In fine, the diligence with which the law requires the individual or a corporation at all times to govern a particular conduct varies with the nature of the situation in which one is placed, and the importance of the act which is to be performed.[14]

Similarly, in ascertaining good faith, or the lack of it, which is a question of intention, courts are necessarily controlled by the evidence as to the conduct and outward acts by which alone the inward motive may, with safety, be determined. Good faith, or want of it, is capable of being ascertained only from the acts of one claiming its presence, for it is a condition of the mind which can be judged by actual or fancied token or signs.[15] Good faith, or want of it, is not a visible, tangible fact that can be seen or touched, but rather a state or condition of mind which can only be judged by actual or fancied token or signs.[16] Good faith connotes an honest intention to abstain from taking unconscientious advantage of another.[17] Accordingly, in University of the East v. Jader we said that "[g]ood faith connotes an honest intention to abstain from taking undue advantage of another, even though the forms and technicalities of law, together with the absence of all information or belief of facts, would render the transaction unconscientious."[18]

Withal, in Sigaya v. Mayuga the Court said that "good faith consists in the possessor's belief that the person from whom he received the thing was the owner of the same and could convey his title. Good faith, while it is always to be presumed in the absence of proof to the contrary, requires a well founded belief that the person from whom title was received was himself the owner of the land, with the right to convey it. There is good faith where there is an honest intention to abstain from taking any unconscientious advantage of another. Otherwise stated, good faith is the opposite of fraud and it refers to the state of mind which is manifested by the acts of the individual concerned."[19]

Contrastingly, in Magat, Jr. v. Court of Appeals the Court explained that "[b]ad faith does not simply connote bad judgment or negligence. It imports a dishonest purpose or some moral obliquity and conscious doing of wrong. It means a breach of a known duty through some motive or interest or ill will that partakes of the nature of fraud."[20] In Arenas v. Court of Appeals the Court held that the determination of whether one acted in bad faith is evidentiary in nature.[21] Thus "[s]uch acts (of bad faith) must be substantiated by evidence."[22] Indeed, the unbroken jurisprudence is that "[b]ad faith under the law cannot be presumed; it must be established by clear and convincing evidence.[23]

All told, the ascertainment of good faith, or lack of it, and the determination of whether due diligence and prudence were exercised or not, are questions of fact. And while settled is the principle that this Court is not a trier of facts[24] and the general rule is that the determination of whether or not a buyer or mortgagee is in good faith is generally outside the province of this Court to determine in a petition for review,[25] in Gabriel v. Spouses Mabanta we said that "[t]his rule, however, is not an iron-clad rule. In Floro v. Llenado we enumerated the various exceptions and one which finds application to the present case is when the findings of the Court of Appeals are contrary to those of the trial court."[26] Thus, in Clemente v. Razo we held that "the issue of whether or not one is an innocent purchaser for value is a question of fact which, as a rule, is not for this Court to

determine. In the same breath, however, there are recognized exceptions to such rule, not the least of which is when, as in this case, the findings of the Court of Appeals are contrary to that of the trial court."[27]

In the instant case, the trial court which had the sole opportunity to observe first hand the demeanor of witnesses and consider the relative weight of the evidence presented, concluded that "Philippine National Bank and Spouses Johnny Lucero and Nona Ariete are purchasers in good faith." Respondent appellate court however found that neither the PNB nor the Lucero Spouses can be regarded as buyers in good faith as they failed to inquire from the possessors the status of the disputed property. We thus go back to the records of the case and the substantiated allegations.

We begin with petitioner PNB. While it may be true that the bank could not have known the forgery committed by the Jalbuna Spouses at the time the disputed property was mortgaged to it, still it could not be completely exonerated from any liability arising from its apparent omission, if not negligence, to further investigate the nature of the possession or the title of the respondents who were the alleged occupants of the property. PNB did not present any witness before the trial court who had personal knowledge of whether or not the bank had conducted the requisite ocular inspection or investigation before accepting the property as security for the loan of the Jalbuna Spouses.

Perhaps PNB inordinately relied on the presumption of regularity in its compliance with the requirements for the Extrajudicial Foreclosure of Mortgage, such as the publication of the notice of auction sale, and assumed that the burden of proof was on the respondents to prove that the bank was remiss in its obligation. Perhaps too, the bank assumed that its presumed compliance with the foregoing requirements was sufficient to operate as a constructive notice to all those claiming ownership of or a right to possess the mortgaged property, or those who would be adversely affected by the impending foreclosure sale. It does not however alter the fact that the only witness presented by PNB merely inherited from his predecessor the records relating to the account of the Jalbuna Spouses, and hence had no personal knowledge of whether or not an ocular inspection was in fact conducted on the property. Thus –

> Atty. Bañares:
>
> Q
>
> Did you not know whether there was an inspector who made the inspection of the property?
>
> A
>
> I do not know.[28]
>
> x x x x
>
> Q
>
> So, is it safe to conclude now that you do not know whether Philippine National Bank sent some inspectors to Lot 3017-B before the loan...
>
> Court:
>
> Answered, he did not know. How will he know?
>
> Atty. Bañares:
>
> That will be all, Your Honor.[29]

Indeed, had petitioner PNB conducted an ocular inspection as it claims, it would have found out that the

mortgagors, Spouses Jalbuna, were not in actual possession of the property but herein respondents and their predecessors-in-interest, which information should have put it on inquiry as to the real status of the property. Consequently, petitioner PNB should have inquired into the circumstances of the possession by herein respondents and their predecessors in interest.

In fine, there is no showing that petitioner PNB, a banking institution, which is expected to exercise more care and prudence in its dealings involving registered land, ascertained the status and condition of the property being offered to it as a security for the loan before it approved the loan. Hence, we therefore find that there is no reversible error committed by the Court of Appeals in finding that PNB could not be considered a mortgagee in good faith.

We now go to petitioners Lucero Spouses. The Lucero Spouses knew from the very beginning that the disputed property was occupied by third parties. They resided in the adjoining property. Thus, they went beyond the title of petitioner PNB, and upon inquiry, were made to believe that the partial occupation by private respondents of the disputed property was merely being tolerated by the rightful owner. Accordingly, before the trial court, petitioner Nona A. Lucero testified that –

> Atty. Posecion:
>
> Q
>
> Did your mother not tell you that the Militar family has been residing in the land so that it would be difficult if you buy the land?
>
> A
>
> No, because I will make (the) transaction (with) the Philippine National Bank, not (with) the Militars.
>
> Q
>
> So that you disregarded whatever right the Militars have over the land, right?
>
> A
>
> No, because the vendee/buyer has the authority to make expenses for all the squatters.[30]

The Lucero Spouses also knew that petitioner PNB had already acquired the property in a foreclosure sale and that petitioner PNB had in fact transferred the title to its name for almost five years already. Their belief that petitioner PNB thereafter had the right to transfer title over the disputed property was strengthened by the fact that they similarly consolidated their ownership over the adjoining property after buying it from respondent Romeo Militar and assuming his loan with petitioner PNB.[31]

The reliance of the Lucero Spouses, who never participated in the auction sale, on the right of petitioner PNB which had the title in its name for almost five years already is not totally misplaced. On June 5, 1975 the disputed property was mortgaged to petitioner PNB. Some three years later, on September 5, 1978, the mortgaged property was extrajudicially foreclosed when the mortgagors defaulted in the payment of their loan obligation, with petitioner PNB as the sole and highest bidder for P119,961.36. Some four years thereafter, or on November 11, 1982, a deed of sale was executed in favor of petitioner PNB after the mortgagors failed to redeem the disputed

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property. On December 6, 1982, title over the disputed property was issued to petitioner PNB. Thus, presented during trial were, among others, the Affidavit of Publication of Sheriff's Notice of Sale at Public Auction showing that petitioner PNB complied with the law on extrajudicial foreclosure of mortgage;[32] the Certificate of Sale at Public Auction of September 5, 1978 issued in favor of petitioner PNB as the highest bidder in the auction sale of the lot covering the disputed property;[33] and the Certification of September 27, 1994 issued by the Register of Deeds of Iloilo stating that title to the lot covering the disputed property was issued in favor of PNB.[34] All told, it took almost eight years for petitioner PNB to consolidate its title over the disputed property from the time it was mortgaged to it.

The Lucero Spouses purchased the disputed property from petitioner PNB as an acquired asset for P229,000.00 and only on November 9, 1987, or some nine years after it extrajudicially foreclosed the property, and some five years after title was transferred to it. Hence, we cannot really say that they acquired the property in bad faith; on the other hand, we are more convinced, if not for fairness, equity and justice, that they acquired the disputed property in good faith and for a valuable consideration on the basis of the clean title of the bank.

And between the bank whose proof of ownership is the title acquired after years of foreclosure proceedings and sale, and the supposed tolerated occupation of herein respondents whose rights are dubious, and at best vague, petitioners Lucero Spouses cannot be faulted for considering petitioner PNB as having a better right over herein respondents and could very well rely on the title of the bank. After all, even this Court has "take(n) judicial notice of the uniform practice of financing institutions to investigate, examine and assess the real property offered as security for any loan application."[35] It must be remembered that the prudence required of the Lucero Spouses is not that of a person with training in law, but rather that of an average man who "weighs facts and circumstances without resorting to the calibration of our technical rules of evidence of which his knowledge is nil."[36] Hence, petitioners Lucero Spouses bought the disputed property with the honest belief that petitioner PNB was its rightful owner and could convey title to the property. They can therefore be considered as buyers in good faith as they have exercised due diligence required under the circumstances.

Also, nowhere in the records does it show that the Lucero Spouses were in bad faith. Neither were private respondents able to prove it, much less were they able to establish it by clear and convincing evidence as required by the rules. On the contrary, the trial court found that the Lucero Spouses acted in good faith "since they bought the lot in question from defendant, Philippine National Bank."[37] They could rely on what appears on the face of the Certificate of Title in light of the attendant circumstances, especially after considering that the requirements for the extrajudicial foreclosure of mortgage such as publication and notice appear to have been religiously complied with by PNB.

In contrast, we find, after a meticulous scrutiny of the records, that the respondents are not entirely blameless. They have not established their right or interest in the property aside from their belated and unsubstantiated allegation that they were the successors-in-interest of Deogracias, Glicerio, Tomas and Caridad, all surnamed Militar. Deogracias died on March 17, 1964, Glicerio on March 22, 1939, Tomas on August 20, 1959, and Caridad on April 29, 1957. Since the deaths of their alleged predecessors-in-interest, respondents have not shown that they have taken even the initial steps to have the property registered in their names. Nor have they even alleged that they paid any real property tax on the disputed property like any real owner should do. For this would have put them on notice that the said property has been registered in the name of a third party.

Thus, to reiterate for emphasis, the Deed of Sale which transferred the property to the Spouses Jalbuna was executed on April 24, 1975. Clearly, respondents had more than enough time and opportunity from the death of their ascendants to institute proceedings to have the property adjudicated to them, if indeed it was true that they were the lawful heirs of Deogracias, Glicerio, Tomas and Caridad, and were the new owners of the property by

succession. This, they did not do. If they did, the forgery allegedly committed by the Jalbuna Spouses which resulted in the Deed of Absolute Sale of April 24, 1975 could not have been committed or pushed through and the Lucero Spouses, as a consequence, would not have been induced to buy the property.

The Jalbuna Spouses acquired title to the property on April 29, 1975. From that time on the doctrine of "constructive notice" was already in effect against all persons claiming any title or interests in the property adverse to the registered owners.[38]

On June 5, 1975, the Spouses Jalbuna mortgaged the property to PNB. On the same date, the mortgage was registered with the Register of Deeds of Iloilo City. Again, from that date, the respondents were deemed to have "constructive notice" of the registration.

Philippine National Bank foreclosed the mortgage on September 5, 1978. The Notice of Extrajudicial Foreclosure of Mortgage was published in a newspaper of general circulation. The publication likewise operated as "constructive notice" to all persons who would be adversely affected by the impending foreclosure of the property. A Certificate of Sale over the property was issued in favor of PNB as the highest bidder in the auction sale. The Certificate of Sale was again registered and annotated in the title of the property. Again, the respondents had "constructive notice" of the registration.

On November 11, 1982, PNB consolidated its title to the property and a Deed of Sale was issued in its favor. On December 6, 1982, a Transfer Certificate of Title was issued in favor of PNB. Respondents should likewise be charged with notice of such fact. Since that time up to November 9, 1987 when the property was sold to the Lucero Spouses, or for five (5) long years, the property was an acquired asset of the bank. During this time it can be deduced that it was the bank who paid the real estate taxes and who appeared as owner in the tax declarations and other documents pertaining to the property.

It would appear that it was PNB who exercised acts of ownership over the property during the five-year period, not the respondents who are now claiming to be the owners. There is no evidence of any act of ownership exercised by the respondents, such as payment of taxes and introduction of improvements which would have shown, by preponderance of evidence, the right of ownership to or interest in the property, aside form their occupation thereof by mere tolerance. Since the death of their predecessors, there has not even been a showing that respondents verified, inquired or investigated with the Register of Deeds or the Assessor's Office as to the status of the property. If only respondents have been more vigilant in the enforcement of their alleged rights and interests, the property would not have been sold to third persons who paid valuable consideration thereto. Far from being vigilant, however, respondents have shown sheer disinterest in their claim to the property, thus leading to the well-founded conclusion that their claimed ownership rights are not anchored in reality. Vigilantibus sed non dormientibus jura subveniunt. The law aids the vigilant, not those who slumber on their rights.

More. On November 9, 1987, the property was sold by PNB to the petitioners Lucero Spouses and a Transfer Certificate of Title was issued in their name on November 11, 1987. The respondents however filed their Complaint for reconveyance and damages only on October 2, 1989, or nearly two (2) years after title to the property was issued in favor of the Lucero Spouses. Respondents in fact amended their complaint three (3) times, the last one on December 26, 1994. Clearly, the actuations of respondents were not normal for those claiming in good faith legitimate ownership over a parcel of land sufficient to make third persons conclude that their claim is well-founded as against the registered owner, in this case, PNB. Indeed, respondents were frozen in the shackles of inactivity for too long. They bestirred themselves for their long slumber after the Lucero Spouses started to recover possession of the property which is a mere incident to the ownership that they have already gained. In essence, the respondents slept on their rights, and hence, must suffer the consequences of their passivity and

inaction.

WHEREFORE, the August 18, 2005 Decision of this Court is hereby MODIFIED. The Motion for Reconsideration of the Philippine National Bank is DENIED WITH FINALITY. However, the Motion for Reconsideration of the Spouses Johnny Lucero and Nona Ariete is GRANTED, and the October 18, 1995 Decision of the Regional Trial Court of Iloilo, Br. 38, in Civil Case No. 18836 insofar as it holds Spouses Johnny Lucero and Nona Ariete as innocent purchasers for value in good faith is REINSTATED and their title to Lot 3017-B under TCT No. 76938 issued on November 11, 1987 is declared and so confirmed as VALID.

SO ORDERED.

Quisumbing (Chairman), Carpio, and Azcuna, JJ., concur.

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[1] G.R. No. 122425, September 28, 2001, 366 SCRA 176, 182 (citations therein, omitted).

[2] G.R. No. 151245, March 4, 2005, 452 SCRA 769, 779.

[3] G.R. No. 138480 (consolidated with Ayala Land, Inc. v. Velasquez, Jr., G.R. No. 139449), March 25, 2004, 426 SCRA 309, 315.

[4] G.R. No. 161861, March 11, 2005, 453 SCRA 308, 317.

[5] See Sigaya v. Mayuga, G.R. No. 143254, August 18, 2005, 467 SCRA 341, 354-355; San Lorenzo Development Corp. v. Court of Appeals, G.R. No. 124242, January 21, 2005, 449 SCRA 99, 117; Sps. Occeña v. Esponilla, G.R. No. 156973, June 4, 2004, 431 SCRA 116, 124; Spouses Castro v. Miat, G.R. No. 143297, February 11, 2003, 397 SCRA 271, 284; AFP Mutual Benefit Association, Inc. v. Court of Appeals, G.R. No. 104769 (consolidated with Solid Homes, Inc. v. Investco, Inc., G.R. No. 135016), September 10, 2001, 364 SCRA 768, 771; Republic of the Philippines v. Court of Appeals, G.R. No. 99331, April 21, 1999, 306 SCRA 81, 87; Sandoval v. Court of Appeals, G.R. No. 106657, August 1, 1996, 260 SCRA 283, 296-297.

[6] See Sps. Castro v. Miat, supra note 5; Lu v. Manipon, G.R. No. 147072, May 7, 2002, 381 SCRA 788, 798-799; Republic of the Philippines v. De Guzman, G.R. No. 105630, February 23, 2000, 326 SCRA 267, 277; David v. Malay, G.R. No. 132644, November 19, 1999, 318 SCRA 711, 724; Embrado v. Court of Appeals, G.R. No. 51457, June 27, 1994, 233 SCRA 335, 346.

[7] G.R. No. 132161, January 17, 2005, 448 SCRA 347, 366-367 (citations therein, omitted).

[8] G.R. No. 125586, June 29, 2000, 334 SCRA 555.

[9] Citing Brinegar v. US, 338 US 160 (1949).

[10] Citing Del Carmen, Criminal Procedure, Law and Practice, 3[rd] ed., p. 86.

[11] Development Bank of the Philippines v. Court of Appeals, G.R. No. 111737, October 13, 1999, 316 SCRA 650, 664.

[12] Consolidated Rural Bank (Cagayan Valley), Inc. v. Court of Appeals, supra note 7 at 367.

[13] G.R. Nos. 74070-71, October 28, 1991, 203 SCRA 210, 216.

[14] See Cruz v. Judge Gangan, G.R. No. 143403, January 22, 2003, 395 SCRA 711, 717 (citations therein, omitted); and Bulilan v. Commission on Audit, G.R. No. 130057, December 22, 1998, 300 SCRA 445, 453.

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[15] Expresscredit Financing v. Spouses Velasco, G.R. No. 156033, October 20, 2005, 473 SCRA 570, 577-578, citing Leung Yee v. FL Strong Machinery, 37 Phil. 644, 651 (1918).

[16] Balatbat v. Court of Appeals, G.R. No. 109410, August 28, 1996, 261 SCRA 128, 143, citing Bautista v. Court of Appeals, G.R. No. 106042, February 28, 1994, 230 SCRA 446, 454-455.

[17] Equatorial Realty Development, Inc. v. Mayfair Theater, Inc., G.R. No. 106063, November 21, 1996, 264 SCRA 483, 508.

[18] G.R. No. 132344, February 17, 2000, 325 SCRA 804, 811.

[19] Supra note 5 at 355, citing Lim v. Chuatoco, supra note 4.

[20] G.R. No. 124221, August 4, 2000, 337 SCRA 298, 307.

[21] G.R. No. 126640, 345 SCRA 617, 629.

[22] ABS-CBN Broadcasting Corp. v. Court of Appeals, G.R. No. 128690, January 21, 1999, 301 SCRA 572, 604.

[23] Philippine Airlines v. Miano, G.R. No. 106664, March 8, 1995, 242 SCRA 235, 240; LBC Express, Inc. v. Court of Appeals, G.R. No. 108670, September 21, 1994, 236 SCRA 602, 608, citing People's Bank and Trust Co. v. Syvel's Inc., L-29280, August 11, 1988, 164 SCRA 247.

[24] Alipoon v. Court of Appeals, G.R. No. 127523, March 22, 1999, 305 SCRA 118.

[25] Sigaya v. Mayuga, supra note 5; Orquiola v. CA, G.R. No. 141463, August 6, 2002, 386 SCRA 301, 309; Spouses Uy v. Court of Appeals, G.R. No. 109197, June 21, 2001, 359 SCRA 262, 268-269.

[26] G.R. No. 142403, March 26, 2003, 399 SCRA 573 (citations therein, omitted).

[27] Supra note 2 at 775.

[28] TSN, July 12, 1995, p. 23.

[29] Id. at 26.

[30] TSN, July 19, 1995, p. 10.

[31] Id. at 26-27.

[32] Exhibit 5.

[33] Exhibit 6.

[34] Exhibit 8.

[35] State Investment House, Inc. v. Court of Appeals, G.R. No. 115548, March 5, 1996, 254 SCRA 368, 375.

[36] See Domalanta v. Commission on Elections, supra note 8.

[37] Decision of the trial court, p. 9.

[38] Sec. 51, P.D. 1959.

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