

KINGS PROPERTIES CORPORATION, PETITIONER, VS. CANUTO A. GALIDO, RESPONDENT.

G.R. No. 170023. November 27, 2009

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

Kings Properties Corporation (petitioner) filed this Petition for Review on Certiorari[1] assailing the Court of Appeals' Decision[2] dated 20 December 2004 in CA-G.R. CV No. 68828 as well as the Resolution[3] dated 10 October 2005 denying the Motion for Reconsideration. In the assailed decision, the Court of Appeals reversed the Regional Trial Court's Decision[4] dated 4 July 2000. This case involves an action for cancellation of certificates of title, registration of deed of sale and issuance of certificates of title filed by Canuto A. Galido (respondent) before Branch 71 of the Regional Trial Court of Antipolo City (trial court).

The Facts

On 18 April 1966, the heirs of Domingo Eniceo, namely Rufina Eniceo and Maria Eniceo, were awarded with Homestead Patent No. 112947 consisting of four parcels of land located in San Isidro, Antipolo, Rizal (Antipolo property) and particularly described as follows:

1. Lot No. 1 containing an area of 96,297 square meters;
- Lot No. 3 containing an area of 25,170 square meters;
- Lot No. 4 containing an area of 26,812 square meters; and
- Lot No. 5 containing an area of 603 square meters.

The Antipolo property with a total area of 14.8882 hectares was registered under Original Certificate of Title (OCT) No. 535.[5] The issuance of the homestead patent was subject to the following conditions:

To have and to hold the said tract of land, with the appurtenances thereunto of right belonging unto the said Heirs of Domingo Eniceo and to his heir or heirs and assigns forever, subject to the provisions of sections 118, 121, 122 and 124 of Commonwealth Act No. 141, as amended, which provide that except in favor of the Government or any of its branches, units or institutions, the land hereby acquired shall be inalienable and shall not be subject to incumbrance for a period of five (5) years next following the date of this patent, and shall not be liable for the satisfaction of any debt contracted prior to the expiration of that period; that it shall not be alienated, transferred or conveyed after five (5) years and before twenty-five (25) years next following the issuance of title, without the approval of the Secretary of Agriculture and Natural Resources; that it shall not be incumbered, alienated, or transferred to any person, corporation, association, or partnership not qualified to acquire public lands under the said Act and its amendments; x x x [6]

On 10 September 1973, a deed of sale covering the Antipolo property was executed between Rufina Eniceo and Maria Eniceo as vendors and respondent as vendee. Rufina Eniceo and Maria Eniceo sold the Antipolo property to respondent for P250,000.[7] A certain Carmen Aldana delivered the owner's duplicate copy of OCT No. 535 to

respondent.[8]

Petitioner alleges that when Maria Eniceo died in June 1975, Rufina Eniceo and the heirs of Maria Eniceo (Eniceo heirs),[9] who continued to occupy the Antipolo property as owners, thought that the owner's duplicate copy of OCT No. 535 was lost.[10]

On 5 April 1988, the Eniceo heirs registered with the Registry of Deeds of Marikina City (Registry of Deeds) a Notice of Loss dated 2 April 1988 of the owner's copy of OCT No. 535. The Eniceo heirs also filed a petition for the issuance of a new owner's duplicate copy of OCT No. 535 with Branch 72 of the Regional Trial Court (RTC) of Antipolo, Rizal. The case was docketed as LRC Case No. 584-A.[11]

On 31 January 1989, the RTC rendered a decision finding that the certified true copy of OCT No. 535 contained no annotation in favor of any person, corporation or entity. The RTC ordered the Registry of Deeds to issue a second owner's copy of OCT No. 535 in favor of the Eniceo heirs and declared the original owner's copy of OCT NO. 535 cancelled and considered of no further value.[12]

On 6 April 1989, the Registry of Deeds issued a second owner's copy of OCT No. 535 in favor of the Eniceo heirs.[13]

Petitioner states that as early as 1991, respondent knew of the RTC decision in LRC Case No. 584-A because respondent filed a criminal case against Rufina Eniceo and Leonila Bolinas (Bolinás) for giving false testimony upon a material fact during the trial of LRC Case No. 584-A.[14]

Petitioner alleges that sometime in February 1995, Bolinas came to the office of Alberto Tronio Jr. (Tronio), petitioner's general manager, and offered to sell the Antipolo property. During an on-site inspection, Tronio saw a house and ascertained that the occupants were Bolinas' relatives. Tronio also went to the Registry of Deeds to verify the records on file. Tronio ascertained that OCT No. 535 was clean and had no lien and encumbrances. After the necessary verification, petitioner decided to buy the Antipolo property.[15]

On 14 March 1995, respondent caused the annotation of his adverse claim in OCT No. 535.[16]

On 20 March 1995, the Eniceo heirs executed a deed of absolute sale in favor of petitioner covering lots 3 and 4 of the Antipolo property for P500,000.[17]

On the same date, Transfer Certificate of Title (TCT) Nos. 277747 and 277120 were issued. TCT No. 277747 covering lots 1 and 5 of the Antipolo property was registered in the names of Rufina Eniceo, Ambrosio Eniceo, Rodolfo Calove, Fernando Calove and Leonila Calove Bolinas.[18] TCT No. 277120 covering lots 3 and 4 of the Antipolo property was registered in the name of petitioner.[19]

On 5 April 1995, the Eniceo heirs executed another deed of sale in favor of petitioner covering lots 1 and 5 of the Antipolo property for P1,000,000. TCT No. 278588 was issued in the name of petitioner and TCT No. 277120 was cancelled.[20]

On 17 August 1995, the Secretary of the Department of Environment and Natural Resources (DENR Secretary) approved the deed of sale between the Eniceo heirs and respondent.[21]

On 16 January 1996, respondent filed a civil complaint with the trial court against the Eniceo heirs and petitioner. Respondent prayed for the cancellation of the certificates of title issued in favor of petitioner, and the registration of the deed of sale and issuance of a new transfer certificate of title in favor of respondent.[22]

On 4 July 2000, the trial court rendered its decision dismissing the case for lack of legal and factual basis.[23]

Respondent appealed to the Court of Appeals (CA). On 20 December 2004, the CA rendered a decision reversing

the trial court's decision.[24] Respondent filed a motion for reconsideration, which the CA denied in its Resolution dated 10 October 2005.

Aggrieved by the CA's decision and resolution, petitioner elevated the case before this Court.

The Ruling of the Trial Court

The trial court stated that although respondent claims that the Eniceo heirs sold to him the Antipolo property, respondent did not testify in court as to the existence, validity and genuineness of the purported deed of sale and his possession of the duplicate owner's copy of OCT No. 535. The trial court stated that as owner of a property consisting of hectares of land, respondent should have come to court to substantiate his claim and show that the allegations of the Eniceo heirs and petitioner are mere fabrications.[25]

The trial court noticed that respondent did not register the deed of sale with the Register of Deeds immediately after its alleged execution on 10 September 1973. Further, respondent waited for 22 long years before he had the sale approved by the DENR Secretary. The trial court declared that respondent slept on his rights. The trial court concluded that respondent's failure to register the sale and secure the cancellation of OCT No. 535 militates against his claim of ownership. The trial court believed that respondent has not established the preponderance of evidence necessary to justify the relief prayed for in his complaint.[26]

The trial court stated that Bolinas was able to prove that the Eniceo heirs have remained in actual possession of the land. The filing of a petition for the issuance of a new owner's duplicate copy requires the posting of the petition in three different places which serves as a notice to the whole world. Respondent's failure to oppose this petition can be deemed as a waiver of his right, which is fatal to his cause.[27]

The trial court noted that petitioner is a buyer in good faith and for value because petitioner has exercised due diligence in inspecting the property and verifying the title with the Register of Deeds.[28]

The trial court held that even if the court were to believe that the deed of sale in favor of respondent were genuine, still it could not be considered a legitimate disposition of property, but merely an equitable mortgage. The trial court stated that respondent never obtained possession of the Antipolo property at any given time and a buyer who does not take possession of a property sold to him is presumed to be a mortgagee only and not a vendee.[29]

The Ruling of the Court of Appeals

The CA ruled that the deed of sale in favor of respondent, being a notarized document, has in its favor the presumption of regularity and carries the evidentiary weight conferred upon it with respect to its due execution. The CA added that whoever asserts forgery has the burden of proving it by clear, positive and convincing evidence because forgery can never be presumed. The CA found that petitioner and the Eniceo heirs have not substantiated the allegation of forgery.[30]

The CA pointed out that laches has not set in. One of the requisites of laches, which is injury or prejudice to the defendant in the event relief is accorded to the complainant or the suit is not held to be barred, is wanting in the instant case. The CA added that unrecorded sales of land brought under the Torrens system are valid between parties because registration of the instrument is merely intended to bind third persons.[31]

The CA declared that petitioner's contention regarding the validity of the questioned deed on the ground that it was executed without the approval of the DENR Secretary is untenable. The DENR Secretary approved the deed of sale on 17 August 1995. However, even supposing that the sale was not approved, the requirement for the DENR Secretary's approval is merely directory and its absence does not invalidate any alienation, transfer or conveyance of the homestead after 5 years and before 25 years from the issuance of the title which can be

complied with at any time in the future.[32]

The CA ruled that petitioner is a buyer in bad faith because it purchased the disputed properties from the Eniceo heirs after respondent had caused the inscription on OCT No. 535 of an adverse claim. Registration of the adverse claim serves as a constructive notice to the whole world. Petitioner cannot feign ignorance of facts which should have put it on guard and then claim that it acted under the honest belief that there was no defect in the title of the vendors. Knowing that an adverse claim was annotated in the certificates of title of the Eniceo heirs, petitioner was forewarned that someone is claiming an interest in the disputed properties.[33]

The CA found no merit in petitioner's contention that the questioned deed of sale is an equitable mortgage. The CA stated that for the presumption of an equitable mortgage to arise, one must first satisfy the requirement that the parties entered into a contract denominated as a contract of sale and that their intention was to secure an existing debt by way of mortgage.[34]

The CA stated that the execution of the notarized deed of sale, even without actual delivery of the disputed properties, transferred ownership from the Eniceo heirs to respondent. The CA held that respondent's possession of the owner's duplicate copy of OCT No. 535 bolsters the contention that the Eniceo heirs sold the disputed properties to him by virtue of the questioned deed.[35]

The CA reversed the trial court's decision. The dispositive portion of the CA decision reads:

WHEREFORE, the appealed decision of the Regional Trial Court of Rizal (Antipolo, Branch 71) is REVERSED and SET ASIDE and another rendered as follows:

1. Declaring null and void Transfer Certificates of Titles Nos. 277747, 277120 and 278588 of the Registry of Deeds of Marikina City (the last two in the name of defendant-appellee Kings Properties Corporation), the derivative titles thereof and the instruments which were the bases of the issuance of said certificates of title; and
2. Declaring plaintiff-appellant Canuto A. Galido the owner of fee simple of Lot Nos. 1, 3, 4, 5 formerly registered under Original Certificate of Title No. 535 in the name of the Heirs of Domingo Eniceo, represented by Rufina Eniceo, and ordering the Register of Deeds of Marikina City to issue new transfer certificates of title for said parcels of land in the name of plaintiff-appellant Canuto A. Galido, upon payment of the proper fees and presentation of the deed of sale dated September 10, 1973 executed by Rufina Eniceo and Maria Eniceo, as sole heirs of the late Domingo Eniceo, in favor of the latter.[36]

The Issues

Petitioner raises two issues in this petition:

- Whether the adverse claim of respondent over the Antipolo property should be barred by laches;[37] and
- Whether the deed of sale delivered to respondent should be presumed an equitable mortgage pursuant to Article 1602(2) and 1604 of the Civil Code.[38]

The Ruling of the Court

Validity of the deed of sale to respondent

The contract between the Eniceo heirs and respondent executed on 10 September 1973 was a perfected contract of sale. A contract is perfected once there is consent of the contracting parties on the object certain and on the cause of the obligation.[39] In the present case, the object of the sale is the Antipolo property and the price certain is P250,000.

The contract of sale has also been consummated because the vendors and vendee have performed their respective obligations under the contract. In a contract of sale, the seller obligates himself to transfer the ownership of the determinate thing sold, and to deliver the same to the buyer, who obligates himself to pay a price certain to the seller.[40] The execution of the notarized deed of sale and the delivery of the owner's duplicate copy of OCT No. 535 to respondent is tantamount to a constructive delivery of the object of the sale. In *Navera v. Court of Appeals*, the Court ruled that since the sale was made in a public instrument, it was clearly tantamount to a delivery of the land resulting in the symbolic possession thereof being transferred to the buyer.[41]

Petitioner alleges that the deed of sale is a forgery. The Eniceo heirs also claimed in their answer that the deed of sale is fake and spurious.[42] However, as correctly held by the CA, forgery can never be presumed. The party alleging forgery is mandated to prove it with clear and convincing evidence.[43] Whoever alleges forgery has the burden of proving it. In this case, petitioner and the Eniceo heirs failed to discharge this burden.

Petitioner invokes the belated approval by the DENR Secretary, made within 25 years from the issuance of the homestead, to nullify the sale of the Antipolo property. The sale of the Antipolo property cannot be annulled on the ground that the DENR Secretary gave his approval after 21 years from the date the deed of sale in favor of respondent was executed. Section 118 of Commonwealth Act No. 141 or the Public Land Act (CA 141), as amended by Commonwealth Act No. 456,[44] reads:

SEC. 118. EXCEPT IN FAVOR OF THE GOVERNMENT OR ANY OF ITS BRANCHES, UNITS, OR INSTITUTIONS, OR LEGALLY CONSTITUTED BANKING CORPORATIONS, LANDS ACQUIRED UNDER FREE PATENT OR HOMESTEAD PROVISIONS SHALL NOT BE SUBJECT TO ENCUMBRANCE OR ALIENATION FROM THE DATE OF THE APPROVAL OF THE APPLICATION AND FOR A TERM OF FIVE YEARS FROM AND AFTER THE DATE OF THE ISSUANCE OF THE PATENT OR GRANT X X X

No alienation, transfer, or conveyance of any homestead after five years and before twenty-five years after the issuance of title shall be valid without the approval of the Secretary of Agriculture and Natural Resources,[45] which approval shall not be denied except on constitutional and legal grounds.

In *Spouses Alfredo v. Spouses Borrás*,[46] the Court explained the implications of Section 118 of CA 141. Thus:

A grantee or homesteader is prohibited from alienating to a private individual a land grant within five years from the time that the patent or grant is issued. A violation of this prohibition renders a sale void. This , however, expires on the fifth year. From then on until the next 20 years, the land grant may be alienated provided the Secretary of Agriculture and Natural Resources approves the alienation. The Secretary is required to approve the alienation unless there are "constitutional and legal grounds" to deny the approval. In this case, there are no apparent or legal grounds for the Secretary to disapprove the sale of the Subject Land.

The failure to secure the approval of the Secretary does not ipso factomake a sale void. The absence of approval by the Secretary does not a sale made after the expiration of the 5-year period, for in such event the requirement of Section 118 of the Public Land Act becomes merely directory or a formality. The approval may be secured later, producing the effect of ratifying and adopting the transaction as if the sale had been previously authorized. (Underscoring supplied)

Equitable Mortgage

Petitioner contends that the deed of sale in favor of respondent is an equitable mortgage because the Eniceo heirs remained in possession of the Antipolo property despite the execution of the deed of sale.

An equitable mortgage is "one which although lacking in some formality, or form or words, or other requisites

demanding by a statute, nevertheless reveals the intention of the parties to charge real property as security for a debt, and contains nothing impossible or contrary to law." [47] The essential requisites of an equitable mortgage are:

- The parties entered into a contract denominated as a contract of sale; and
- Their intention was to secure existing debt by way of a mortgage. [48]

In *Lim v. Calaguas*, [49] the Court held that in order for the presumption of equitable mortgage to apply, there must be: (1) something in the language of the contract; or (2) in the conduct of the parties which shows clearly and beyond doubt that they intended the contract to be a mortgage and not a pacto de retro sale. [50] Proof by parol evidence should be presented in court. Parol evidence is admissible to support the allegation that an instrument in writing, purporting on its face to transfer the absolute title to property, was in truth and in fact given merely as security for the payment of a loan. The presumption of equitable mortgage under Article 1602 of the Civil Code is not conclusive. It may be rebutted by competent and satisfactory proof of the contrary. [51]

Petitioner claims that an equitable mortgage can be presumed because the Eniceo heirs remained in possession of the Antipolo property. Apart from the fact that the Eniceo heirs remained in possession of the Antipolo property, petitioner has failed to substantiate its claim that the contract of sale was intended to secure an existing debt by way of mortgage. In fact, mere tolerated possession is not enough to prove that the transaction was an equitable mortgage. [52]

Furthermore, petitioner has not shown any proof that the Eniceo heirs were indebted to respondent. On the contrary, the deed of sale executed in favor of respondent was drafted clearly to convey that the Eniceo heirs sold and transferred the Antipolo property to respondent. The deed of sale even inserted a provision about defrayment of registration expenses to effect the transfer of title to respondent.

In any event, as pointed out by respondent in his Memorandum, this defense of equitable mortgage is available only to petitioner's predecessors-in-interest who should have demanded, but did not, for the reformation of the deed of sale. [53] A perusal of the records shows that the Eniceo heirs never presented the defense of equitable mortgage before the trial court. In their Answer [54] and Memorandum [55] filed before the trial court, the Eniceo heirs claimed that the alleged deed of sale dated 10 September 1973 between Rufina Eniceo and Maria Eniceo was fake and spurious. The Eniceo heirs contended that even assuming there was a contract, no consideration was involved. It was only in the Appellees' Brief [56] filed before the CA that the Eniceo heirs claimed as an alternative defense that the deed should be presumed as an equitable mortgage.

In *Philippine Ports Authority v. City of Iloilo*, [57] we ruled that a party who adopts a certain theory upon which the case is tried and decided by the lower court will not be permitted to change the theory on appeal. A theory of the case not brought to the attention of the lower court will not be considered by a reviewing court, as a new theory cannot be raised for the first time at such late stage.

Although petitioner raised the defense of equitable mortgage in the lower court, he cannot claim that the deed was an equitable mortgage because petitioner was not a privy to the deed of sale dated 10 September 1973. Petitioner merely stepped into the shoes of the Eniceo heirs. Petitioner, who merely acquired all the rights of its predecessors, cannot espouse a theory that is contrary to the theory of the case claimed by the Eniceo heirs.

The Court notes that the Eniceo heirs have not appealed the CA's decision, hence, as to the Eniceo heirs, the CA's decision that the contract was a sale and not an equitable mortgage is now final. Since petitioner merely assumed the rights of the Eniceo heirs, petitioner is now estopped from questioning the deed of sale dated 10 September 1973.

Petitioner is not a buyer in good faith

Petitioner maintains that the subsequent sale must be upheld because petitioner is a buyer in good faith, having exercised due diligence by inspecting the property and the title sometime in February 1995.

In *Agricultural and Home Extension Development Group v. Court of Appeals*,^[58] a buyer in good faith is defined as "one who buys the property of another without notice that some other person has a right to or interest in such property and pays a 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."

In *Balatbat v. Court of Appeals*,^[59] the Court held that in the realm of double sales, the registration of an adverse claim places any subsequent buyer of the registered land in bad faith because such annotation was made in the title of the property before the Register of Deeds and he could have discovered that the subject property was already sold.^[60] The Court explained further, thus:

A purchaser of a valued piece of property cannot just close his eyes to facts which should put a reasonable man upon his guard and then claim that he acted in good faith and under the belief that there were no defect in the title of the vendor. One who purchases real estate with knowledge of a defect or lack of title in his vendor cannot claim that he has acquired title thereto in good faith as against the true owner of the land or of an interest therein; and the same rule must be applied to one who has knowledge of facts which should have put him upon such inquiry and investigation as be necessary to acquaint him with the defects in the title of his vendor.^[61]

Petitioner does not dispute that respondent registered his adverse claim with the Registry of Deeds on 14 March 1995. The registration of the adverse claim constituted, by operation of law, notice to the whole world.^[62] From that date onwards, subsequent buyers were deemed to have constructive notice of respondent's adverse claim.

Petitioner purchased the Antipolo property only on 20 March 1995 and 5 April 1995 as shown by the dates in the deeds of sale. On the same dates, the Registry of Deeds issued new TCTs in favor of petitioner with the annotated adverse claim. Consequently, the adverse claim registered prior to the second sale charged petitioner with constructive notice of the defect in the title of Eniceo heirs. Therefore, petitioner cannot be deemed as a purchaser in good faith when they bought and registered the Antipolo property.

In *Carbonell v. Court of Appeals*,^[63] this Court ruled that in double sales, the first buyer always has priority rights over subsequent buyers of the same property. Being the first buyer, he is necessarily in good faith compared to subsequent buyers. The good faith of the first buyer remains all throughout despite his subsequent acquisition of knowledge of the subsequent sale. On the other hand, the subsequent buyer, who may have entered into a contract of sale in good faith, would become a buyer in bad faith by his subsequent acquisition of actual or constructive knowledge of the first sale.^[64] The separate opinion of then Justice Teehankee is instructive, thus:

The governing principle here is *prius tempore, potior jure* (first in time, stronger in right). Knowledge gained by the first buyer of the second sale cannot defeat the first buyer's rights except only as provided by the Code and that is where the second buyer first registers in good faith the second sale ahead of the first. Such knowledge of the first buyer does bar her from availing of her rights under the law, among them, to first her purchase as against the second buyer. But in *converso* knowledge gained by the second buyer of the first sale defeats his rights even if he is first to register the second sale, since such knowledge taints his prior registration with bad faith.

This is the price exacted by Article 1544 of the Civil Code for the second buyer being able to displace the first buyer: that before the second buyer can obtain priority over the first, he must show that he acted in good faith throughout (i.e., in ignorance of the first sale and of the first buyer's rights) - from the time of acquisition until

the title is transferred to him by registration or failing registration, by delivery of possession. The second buyer must show continuing good faith and innocence or lack of knowledge of the first sale until his contract ripens into full ownership through prior registration as provided by law.[65]

Laches

Petitioner contends that respondent is guilty of laches because he slept on his rights by failing to register the sale of the Antipolo property at the earliest possible time. Petitioner claims that despite respondent's knowledge of the subsequent sale in 1991, respondent still failed to have the deed of sale registered with the Registry of Deeds.

The essence of laches is the failure or neglect, for an unreasonable and unexplained length of time, to do that which, through due diligence, could have been done earlier, thus giving rise to a presumption that the party entitled to assert it had either abandoned or declined to assert it.[66]

Respondent discovered in 1991 that a new owner's copy of OCT No. 535 was issued to the Eniceo heirs. Respondent filed a criminal case against the Eniceo heirs for false testimony. When respondent learned that the Eniceo heirs were planning to sell the Antipolo property, respondent caused the annotation of an adverse claim. On 16 January 1996, when respondent learned that OCT No. 535 was cancelled and new TCTs were issued, respondent filed a civil complaint with the trial court against the Eniceo heirs and petitioner. Respondent's actions negate petitioner's argument that respondent is guilty of laches.

True, unrecorded sales of land brought under Presidential Decree No. 1529 or the Property Registration Decree (PD 1529) are effective between and binding only upon the immediate parties. The registration required in Section 51 of PD 1529 is intended to protect innocent third persons, that is, persons who, without knowledge of the sale and in good faith, acquire rights to the property.[67] Petitioner, however, is not an innocent purchaser for value.

WHEREFORE, we DENY the petition. We AFFIRM the 20 December 2004 Decision and 10 October 2005 Resolution of the Court of Appeals in CA-G.R. CV No. 68828.

SO ORDERED.

Leonardo-De Castro[*], Brion, Del Castillo, and Abad, JJ., concur.

* Designated additional member per Special Order No. 776.

[1] Under Rule 45 of the Rules of Court.

[2] Penned by Associate Justice Edgardo P. Cruz, with Associate Justices Godardo A. Jacinto and Jose C. Mendoza, concurring.

[3] Penned by Associate Justice Edgardo P. Cruz with Associate Justices Godardo A. Jacinto and Jose C. Mendoza, concurring.

[4] Penned by RTC Judge Felix S. Caballes.

[5] Rollo, pp. 57-58.

[6]Id. at 79.

[7]Rollo, pp. 59-61.

[8] Id. at 64-65.

[9]Id. at 81-82. The heirs of Eniceo were represented by Rufina Eniceo, daughter of Domingo Eniceo and Leonila Bolinas, granddaughter of Domingo Eniceo and daughter of Maria Eniceo.

[10] Id. at 14.

[11] Id.

[12] Id. at 81-82.

[13] Id. at 80 (reverse side).

[14]Id. at 62-66. In this decision dated 15 May 1998, Rufina Eniceo and Leonila Bolinas were acquitted.

[15] Id. at 15-16.

[16] Id. at 80 (reverse side).

[17]Id. at 115-118.

[18] Id. at 119.

[19] Id. at 123.

[20]Id. at 120-122, 124-125.

[21] Id. at 32.

[22]Id. at 17.

[23] Id. at 142.

[24]Id. at 37.

[25] Id. at 139-140.

[26] Id. at 140.

[27] Id. at 140-141.

[28] Id. at 141.

[29]Id.

[30]Id. at 34.

[31]Id. at 34-35.

[32] Id. at 35.

[33] Id. at 35-36.

[34]Id. at 36.

[35]Id. at 36-37.

[36] Id. at 37.

[37] Id. at 19.

[38] Id. at 23.

- [39] Article 1318 of the Civil Code.
- [40] Article 1458 of the Civil Code.
- [41] G.R. No. 56838, 26 April 1990, 184 SCRA 584, 593.
- [42] Rollo, p. 32.
- [43] *Fernandez v. Fernandez*, 416 Phil. 322, 342 (2001).
- [44] CA No. 456 was approved on 8 June 1939.
- [45] Now Secretary of Environment and Natural Resources.
- [46] 452 Phil. 178, 201-202 (2003).
- [47] *Matanguihan v. Court of Appeals*, 341 Phil. 379 (1997).
- [48] *Id.* at 389-390.
- [49] 45 O.G. No. 8, p. 3394 (1948).
- [50] Villanueva, Cesar L., *Philippine Law on Sales*, 1998 edition, p. 273.
- [51] *Sps. Austria v. Sps. Gonzales, Jr.*, 465 Phil. 355, 365 (2004).
- [52] *Redondo v. Jimenez*, G.R. No. 161479, 18 October 2007, 536 SCRA 639, 645.
- [53] Rollo, p. 218. Article 1605 of the Civil Code provides: "In the cases referred to in Articles 1602 and 1604, the apparent vendor may ask for reformation of the instrument."
- [54] Records, p. 175. (Answer with Affirmative Defense and Compulsory Counterclaim)
- [55] *Id.* at 419.
- [56] CA rollo, p. 134.
- [57] 453 Phil. 927, 934 (2003).
- [58] G.R. No. 92310, 3 September 1992, 213 SCRA 563, 565-566 (1992).
- [59] 329 Phil. 858 (1996).
- [60] Villanueva, *supra* note 50 at 125-126.
- [61] *Supra* note 59 at 874.
- [62] Section 52 of the Property Registration Decree (PD No. 1529) provides as follows: "Constructive notice upon registration. - Every x x x instrument or entry affecting registered land shall, if registered, filed or entered in the Office of the Register of Deeds for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering."
- [63] 161 Phil. 131 (1976).
- [64] Villanueva, *supra* note 50 at 127.
- [65] *Supra* note 63 at 177.
- [66] *LICOMCEN, Incorporated v. Foundation Specialists, Inc.* G.R. No. 167022, 31 August 2007, 531 SCRA

705, 724.

[67] Evangelista v. Montaña , 93 Phil. 275, 282 (1953).

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