

ALICE VITANGCOL AND NORBERTO VITANGCOL, PETITIONERS, VS. NEW VISTA PROPERTIES, INC., MARIA ALIPIT, REGISTER OF DEEDS OF CALAMBA, LAGUNA, AND THE HONORABLE COURT OF APPEALS, RESP...

G.R. No. 176014. September 17, 2009

Ponente: VELASCO JR., J.

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VELASCO JR., J.:

The Case

In this Petition for Review under Rule 45 of the Rules of Court, petitioners Alice Vitangcol and Norberto Vitangcol (collectively, Vitangcol) assail the August 14, 2006 Decision[1] and December 19, 2006 Resolution[2] of the Court of Appeals (CA) in CA-G.R. CV No. 84205 which reversed the December 21, 2004 Order[3] of the Regional Trial Court (RTC), Branch 35, in Calamba City, Laguna, in Civil Case No. 3195-2001-C for Quieting of Title entitled *New Vista Properties, Inc. v. Alice E. Vitangcol, Norberto A. Vitangcol, Maria L. Alipit and Register of Deeds of Calamba, Laguna*.

The Facts

Subject of the instant controversy is Lot No. 1702 covered by Transfer Certificate of Title (TCT) No. (25311) 2528 of the Calamba, Laguna Registry in the name of Maria A. Alipit and Clemente A. Alipit, married to Milagros.

On June 18, 1989, Maria and Clemente A. Alipit, with the marital consent of the latter's wife, executed a Special Power of Attorney[4] (SPA) constituting Milagros A. De Guzman as their attorney-in-fact to sell their property described in the SPA as "located at Bo. Latian, Calamba, Laguna covered by TCT No. (25311) 2538 with Lot No. 1735 consisting of 242,540 square meters more or less." Pursuant to her authority under the SPA, De Guzman executed on August 9, 1989 a Deed of Absolute Sale[5] conveying to New Vista Properties, Inc. (New Vista) a parcel of land with an area of 242,540 square meters situated in Calamba, Laguna. In the deed, however, the lot thus sold was described as:

a parcel of land (Lot No. 1702 of the Calamba Estate, GLRO Rec. No. 8418) situated in the Calamba, Province of Laguna, x x x containing an area of [250,007 square meters], more or less. x x x That a portion of the above-described parcel of land was traversed by the South Expressway such that its original area of [250,007] SQUARE METERS was reduced to [242,540] SQUARE METERS, which is the subject of the sale.[6]

Following the sale, New Vista immediately entered the subject lot, fenced it with cement posts and barbed wires, and posted a security guard to deter trespassers.

We interpose at this point the observation that the property delivered to and occupied by New Vista was denominated in the SPA as Lot No. 1735 covered by TCT No. (25311) 2538, while in the deed of absolute sale in favor of New Vista the object of the purchase is described as Lot No. 1702 covered by TCT No. (25311) 2528.

The controversy arose more than a decade later when respondent New Vista learned that the parcel of land it paid for and occupied, i.e., Lot No. 1702, was being claimed by petitioners Vitangcol on the strength of a Deed of Absolute Sale for Lot No. 1702 under TCT No. (25311) 2528 entered into on August 14, 2001 by and between Vitangcol and Maria Alipit. Consequent to the Vitangcol-Maria Alipit sale, TCT No. (25311) 2528 was canceled and TCT No. T-482731 issued in its stead in favor of Vitangcol on August 15, 2001.

Alarmed by the foregoing turn of events, New Vista lost no time in protecting its rights by, first, filing a notice of adverse claim over TCT No. T-482731, followed by commencing a suit for quieting of title before the RTC. Its complaint[7] was docketed as Civil Case No. 3195-2001-C before the RTC, Branch 92 in Calamba City. Therein, New Vista alleged paying, after its purchase of the subject lot in 1989, the requisite transfer and related taxes therefor, and thereafter the real estate taxes due on the land. New Vista also averred that its efforts to have the Torrens title transferred to its name proved unsuccessful owing to the on-going process of reclassification of the subject lot from agricultural to commercial/industrial. New Vista prayed, among others, for the cancellation of Vitangcol's TCT No. T-482731 and that it be declared the absolute owner of the subject lot.

On December 11, 2001, Vitangcol moved to dismiss[8] the complaint which New Vista duly opposed. An exchange of pleadings then ensued.

On June 27, 2003, or before Maria Alipit and Vitangcol, as defendants a quo, could answer, New Vista filed an amended complaint,[9] appending thereto a copy of the 1989 deed of absolute sale De Guzman, as agent authorized agent of the Alipits, executed in its favor. Thereafter, Vitangcol filed a motion to dismiss, followed by a similar motion dated August 29, 2003 interposed by Maria Alipit which New Vista countered with an opposition.

Unlike in its original complaint, New Vista's amended complaint did not have, as attachment, the June 18, 1989 SPA. It, however, averred that Clemente and Maria Alipit had ratified and validated the sale of Lot No. 1702 covered by TCT No. (25311) 2528 by their having delivered possession of said lot to New Vista after receiving and retaining the purchase price therefor.

Ruling of the RTC

The Initial RTC Order

By Order of November 25, 2003, the trial court denied Vitangcol's and Maria Alipit's separate motions to dismiss the amended complaint. As there held by the RTC, the amended complaint[10] sufficiently stated a cause of action as shown therein that after the purchase and compliance with its legal obligations relative thereto, New Vista was immediately placed in possession of the subject lot, but which Maria Alipit, by herself, later sold to Vitangcol to New Vista's prejudice.

The December 21, 2004 RTC Order

From the above order, Vitangcol sought reconsideration,[11] attaching to the motion a copy of the June 18, 1989 SPA which, in the hearing on June 7, 2004, was accepted as evidence pursuant to Sec. 8, Rule 10 of the Rules of Court.[12] By Order dated July 14, 2004, the RTC granted reconsideration and dismissed the amended complaint, disposing as follows:

In view of the foregoing, the court hereby set aside its Order dated November 25, 2003 and by virtue of this order, hereby finds that the Amended Complaint states no cause of action and that the claim of the plaintiff in the present action is unenforceable under the provisions of the statute [sic] of frauds, hence, the Amended Complaint is hereby ordered DISMISSED, pursuant to Rule 16, Section 1, paragraph g and i.

SO ORDERED.[13]

In reversing itself, the RTC made much of the fact that New Vista did not attach the SPA to the amended complaint. To the RTC, this omission is fatal to New Vista's cause of action for quieting of title, citing in this regard the pertinent rule when an action is based on a document.[14]

The RTC also stated the observation that New Vista's act of not directly mentioning the SPA and the non-attachment of a copy thereof in the amended complaint constituted an attempt "to hide the fact that Milagros Alipit-de Guzman is only authorized to sell a parcel of land denominated as Lot No. 1735 of the Calamba Estate, and not Lot No. 1702 of the Calamba Estate, which is the subject matter of the Deed of Absolute Sale (Annex B of the Amended Complaint)."[15] According to the RTC, what the agent (De Guzman) sold to New Vista was Lot No. 1702 which she was not authorized to sell.

Aggrieved, New Vista interposed an appeal before the CA, its recourse docketed as CA-G.R. CV No. 84205.

Ruling of the CA

On August 14, 2006, the appellate court rendered the assailed Decision reversing the December 21, 2004 RTC Order, reinstating New Vista's amended complaint for quieting of title, and directing Vitangcol and Maria Alipit to file their respective answers thereto. The decretal portion of the CA's decision reads:

WHEREFORE, premises considered, the 21 December 2004 Order of the court a quo is hereby REVERSED and SET ASIDE, and the Amended Complaint is hereby REINSTATED. The defendants-appellees are hereby directed to file their respective answers/responsive pleadings within the time prescribed under the Rules of Court.

SO ORDERED.[16]

The CA faulted the RTC for dismissing the amended complaint, observing that it was absurd for the RTC to require a copy of the SPA which was not even mentioned in the amended complaint. Pushing this observation further, the CA held that the amended complaint, filed as it were before responsive pleadings could be filed by the defendants below, superseded the original complaint. As thus superseded, the original complaint and all documents appended thereto, such as the SPA, may no longer be taken cognizance of in determining whether the amended complaint sufficiently states a cause of action. It, thus, concluded that the RTC erred in looking beyond the four corners of the amended complaint in resolving the motion to dismiss on the ground of its failing to state a cause of action.

And citing jurisprudence,[17] the CA ruled that even if the SPA were considered, still the discrepancy thereof relative to the deed of absolute sale--in terms of lot and title numbers--is evidentiary in nature and is simply a matter of defense, and not a ground to dismiss the amended complaint.

Finally, the CA held that the real question in the case boiled down as to whose title is genuine or spurious, which is obviously a triable issue of fact which can only be threshed out in a trial on the merits.

Through the equally assailed December 19, 2006 Resolution, the CA denied Vitangcol's motion for reconsideration.

Hence, the instant petition.

The Issue

Petitioners Vitangcol raise as ground for review the sole assignment of error in that:

THE DECISION AND THE RESOLUTION OF THE TWELFTH DIVISION OF THE COURT OF APPEALS UNDER CHALLENGE ARE CONTRARY TO LAW[18]

The Court's Ruling

The petition is bereft of merit.

The sole issue tendered for consideration is whether the Amended Complaint, with the June 18, 1989 SPA--submitted by petitioners Vitangcol--duly considered, sufficiently states a cause of action. It is Vitangcol's posture that it does not sufficiently state a cause of action. New Vista is of course of a different view.

Amended Complaint Sufficiently States a Cause of Action

The Rules of Court defines "cause of action" as the act or omission by which a party violates a right of another. It contains three elements: (1) a right existing in favor of the plaintiff; (2) a correlative duty on the part of the defendant to respect that right; and (3) a breach of the defendant's duty.[19] It is, thus, only upon the occurrence of the last element that a cause of action arises, giving the plaintiff a right to file an action in court for recovery of damages or other relief.[20]

Lack of cause of action is, however, not a ground for a dismissal of the complaint through a motion to dismiss under Rule 16 of the Rules of Court, for the determination of a lack of cause of action can only be made during and/or after trial. What is dismissible via that mode is failure of the complaint to state a cause of action. Sec. 1(g) of Rule 16 of the Rules of Court provides that a motion may be made on the ground "that the pleading asserting the claim states no cause of action."

The rule is that in a motion to dismiss, a defendant hypothetically admits the truth of the material allegations of the ultimate facts contained in the plaintiff's complaint.[21] When a motion to dismiss is grounded on the failure to state a cause of action, a ruling thereon should, as rule, be based only on the facts alleged in the complaint.[22] However, this principle of hypothetical admission admits of exceptions. Among others, there is no hypothetical admission of conclusions or interpretations of law which are false; legally impossible facts; facts inadmissible in evidence; facts which appear by record or document included in the pleadings to be unfounded;[23] allegations which the court will take judicial notice are not true;[24] and where the motion to dismiss was heard with submission of evidence which discloses facts sufficient to defeat the claim.[25]

New Vista's threshold contention that De Guzman's SPA to sell should not be considered for not having been incorporated as part of its amended complaint is incorrect since Vitangcol duly submitted that piece of document in court in the course of the June 7, 2004 hearing on the motion to dismiss. Thus, the trial court acted within its discretion in considering said SPA relative to the motion to dismiss the amended complaint.

The trial court, however, erred in ruling that, taking said SPA into account, the amended complaint stated no cause of action. Indeed, upon a consideration of the amended complaint, its annexes, with the June 18, 1989 SPA thus submitted, the Court is inclined, in the main, to agree with the appellate court that the amended complaint sufficiently states a cause of action.

Hypothetical Admission Supports Statement of Cause of Action

Thus, the next query is: Assuming hypothetically the veracity of the material allegations in the amended complaint, but taking into consideration the SPA, would New Vista still have a cause of action against Vitangcol and Maria Alipit sufficient to support its claim for relief consisting primarily of quieting of title?

The poser should hypothetically be answered in the affirmative.

In a motion to dismiss for failure to state a cause of action, the focus is on the sufficiency, not the veracity, of the material allegations.[26] The test of sufficiency of facts alleged in the complaint constituting a cause of action lies on whether or not the court, admitting the facts alleged, could render a valid verdict in accordance with the prayer of the complaint.[27] And to sustain a motion to dismiss for lack of cause of action, it must be shown that the claim for relief in the complaint does not exist, rather than that a claim has been defectively stated, or is ambiguous, indefinite, or uncertain.[28]

Ratification Would Cure Defect in the SPA

There can be quibbling about the lot covered by the deed of absolute sale De Guzman executed in New Vista's favor being different from that referred to in her enabling power of attorney to sell in terms of lot number and lot title number. The flaw stemmed from the faulty preparation of the SPA. Notwithstanding the variance in lot descriptions, as indicated above, the amended complaint contained, as it were, a clear statement of New Vista's cause of action. New Vista, in fact, alleged that the intended sale of Lot No. 1702 effected by De Guzman had been ratified by her principals, lot owners Clemente and Maria Alipit. Consider the ensuing clear stipulations in the August 9, 1989 Deed of Absolute Sale:

That on March 27, 1989, the SELLERS [the Alipits] entered into a Contract to Sell with the BUYER [New Vista], after they had previously received on February 11, 1989 an earnest money of TEN THOUSAND PESOS (P10,000.00), wherein they (Sellers) agreed to sell to the BUYER the above-described parcel of land (in the reduced area of 242,540 square meters) for P60.00 per square meter or for a total price consideration of FOURTEEN MILLION FIVE HUNDRED FIFTY TWO THOUSAND FOUR HUNDRED PESOS (P14,552,400.00) under the other terms and conditions stipulated therein;

That on April 4, 1989, the BUYER had advanced the amount of SEVEN MILLION FIVE HUNDRED EIGHTEEN THOUSAND SIX HUNDRED PESOS (7,518,600.00) and paid the Philippine Veterans Bank [PVB] in the same amount by way of redemption of the above-described property from its mortgage, all in accordance with the stipulation in the Contract to Sell dated March 27, 1989, making the advances made by the BUYER to the SELLERS namely: P10,000.00 Earnest Money; P500,000.00 Advances; and P7,518,600.00 Redemption Money; in the total amount of EIGHT MILLION TWENTY EIGHT THOUSAND SIX HUNDRED PESOS (P8,028,600.00) which per agreement has formed part of the payment of the purchase price of P14,550,000.00 thereby leaving a balance of SIX MILLION FIVE HUNDRED TWENTY THREE THOUSAND EIGHT HUNDRED PESOS (P6,523,800.00);

That in line with the Resolution dated June 1, 1989 of the Honorable Supreme Court in GR. No. L-_____ the Honorable [RTC], National Capital Judicial Region, Branch 39, Manila, issued an Order on June 30, 1989 in Civil Case No. 85-32311 entitled, "IN RE: IN THE MATTER OF THE PETITION FOR LIQUIDATION OF THE PHILIPPINE VETERANS BANK, CENTRAL BANK OF THE PHILIPPINES, Petitioner", the dispositive portion of which reads as follows:

"WHEREFORE, the petitioner Central Bank of the Philippines, the Acting Liquidator of the Philippine Veterans Bank is hereby ordered to release to the movants-claimants, Spouses Clemente and Milagros Alipit and Maria Alipit the latter's Certificate of Title, TCT No. (T-25311) 2528 within three (3) days from receipt hereof.

SO ORDERED."

thus, paving the way for the execution of the foregoing Final Deed of Sale.

NOW, THEREFORE, in view of the foregoing facts and circumstances, and for and in consideration of the sum of [P14,552,400.00] of which had been previously paid by the BUYER to the SELLERS in the manner stated above, and the remaining sum of x x x (P6,523,800.00), likewise Philippine Currency, to the SELLERS now in

hand paid and receipt whereof is hereby acknowledged and expressed to their entire satisfaction from the BUYER THEREBY completing payment of the entire price consideration of this sale, the SELLERS do hereby sell, transfer and convey, in the manner absolute and irrevocable, unto the BUYER, its successors, administrators and assigns, the above-described parcel of land in its reduced area of 242,540 square meters, more or less, free from all liens and encumbrances.[29]

As may clearly be noted, the transfer of the lot covered by TCT No. (25311) 2528 or, in fine Lot No. 1702 of the Calamba Estate, in favor of New Vista, came not as the result of simple, single transaction involving a piece of land with a clean title where the vendor, for a sum certain received, delivers ownership of the property upon contract signing. As things stand, the execution of the deed of absolute sale completed a negotiated contractual package, the culmination of a series of side but closely interrelated transactions involving several payments and remittances of what turned out to be the total purchase price for the lot envisaged to be purchased and sold, to wit: PhP 10,000 earnest money payment on February 11, 1989; an advance of half a million (no date provided); settlement of a mortgage loan with Philippine Veterans Bank (PVB) of over PhP 7.5 million on April 4, 1989; and the final payment of the balance of the total purchase price amounting to over PhP 6.5 million on August 9, 1989--the date of the execution of the Deed of Absolute Sale. For proper perspective, it may be mentioned that the Alipits and New Vista executed the Contract to Sell on March 27, 1989 after the payment of the earnest money and before the settlement of the mortgage loan with the PVB; and the SPA executed by Clemente and Maria Alipit on June 18, 1989 or more than a month before the execution of the Deed of Absolute Sale.

Taking the foregoing events set forth in the 1989 deed of absolute sale, as hypothetically admitted, it is fairly evident that the property the Alipits intended to sell and in fact sold was the lot covered by TCT No. (25311) 2528, which, doubtless, is Lot No. 1702. As aptly argued by New Vista, the purchase of the parcel of land in question was mainly dictated by its actual location and its metes and bounds and not by mere lot number assigned to it in the certificate of title. This is not to say that the TCT covering the property is of little importance. But what can be gleaned is that New Vista paid and acquired Lot No. 1702 which it redeemed, for the Alipits, by paying their mortgage obligations with the PVB. It could not have bought and the Alipits could not have sold another property.

No Showing of Existence of Lot Subject of the SPA

As to how the SPA mentioned a lot, i.e., Lot No. 1735 covered by TCT No. (25311) 2538, different from what is stated, i.e., Lot No. 1702, in the 1989 deed of absolute sale in question, is not sufficiently explained by the parties. But what can be gathered from the records is that what were denominated as Lot No. 1735 and Lot No. 1702 have the same area and location: 242,540 square meters in Calamba. Moreover, if indeed the SPA authorized De Guzman to sell Lot No. 1735 covered by TCT No. (25311) 2538 and not the subject Lot No. 1702, the question begging for an answer is how come Maria Alipit never presented a copy of TCT No. (25311) 2538 covering Lot No. 1735 with an area of 242,540 square meters to prove her being a co-owner thereof? We note that Maria Alipit's motion to dismiss merely adopted the grounds raised in the parallel motion filed by Vitangcol.

Moreover, the sequence of coinciding events, starting from the payment by New Vista of the earnest money, to the execution of the final deed of sale and the delivery of the subject lot to New Vista would readily show the following: that Clemente and Maria Alipit executed the SPA for de Guzman to sell and to formalize, in a deed of absolute sale, the sale of the subject lot following the fulfillment of the terms and conditions envisaged in the Contract to Sell earlier entered into, and not some lot they co-owned, if there be any. Maria Alipit's utter failure to show in her motion to dismiss that she co-owns with her brother Clemente a similarly-sized 242,540-square-meter lot, denominated as Lot No. 1735 of the Calamba Estate and covered by TCT No. (25311) 2538, strongly suggests that no such separate property exists and that there is contextually only one property--Lot No. 1702. This reality

would veritably make the lot and TCT designation and description entries in the SPA as a case of typographical errors.

Ratification: Delivery and Not Questioning Deed of Absolute Sale

Nonetheless, even if the SPA, vis-à-vis the deed of absolute in question, described a different lot and indicated a dissimilar TCT number, still, the hypothetically admitted allegation of New Vista that lot owners Clemente and Maria Alipit ratified the sale would cure the defect on New Vista's claim for relief under its amended complaint. Stated a bit differently, the ratificatory acts of the Alipits would work to strengthen New Vista's cause of action impaired by what may be taken as typographical errors in the SPA. As deduced from the stipulations in the deed of absolute, lot owners Clemente and Maria Alipit doubtless benefited from the transaction. And most importantly, they turned possession of Lot No. 1702 over to New Vista in 1989. Since then, New Vista enjoyed undisturbed right of ownership over the property until the Vitangcol entered the picture.

The delivery of the subject Lot No. 1702 to New Vista clearly evinces the intent to sell said lot and is ample proof of receipt of full payment therefor as indicated in the deed of absolute sale. For a span of more than 10 years after the execution of the contract of sale, neither Clemente nor Maria Alipit came forward to assail the conveyance they authorized De Guzman to effect, if they considered the same as suffering from some vitiating defect. What is more, if their intention were indeed to authorize De Guzman to sell a property other than Lot No. 1702, is it not but logical to surrender that "other" property to New Vista? And if New Vista employed illegal means to gain possession of subject property, a relatively valuable piece of real estate, why did Clemente and Maria Alipit, and their successors in interest, not institute any proceedings to oust or eject New Vista therefrom?

Clemente and Maria Alipit's long inaction adverted to argues against the notion that what they sold to New Vista was a property other than Lot No. 1702 of the Calamba Estate.

Two Versions of TCT Covering Subject Lot Show Fraud

Lest it be overlooked, the purported sale of Lot 1702 to Vitangcol was made by Maria Alipit alone, ostensibly utilizing another certificate of title bearing number "TCT No. (25311) 2528" with Maria Alipit appearing on its face as the sole owner. New Vista holds the original duplicate owner's copy of TCT No. (25311) 2528 in the names of Clemente and Maria Alipit. Evidently, two versions of same TCT bearing the same number and covering the subject property exist. This aberration doubtless is a triable factual issue. To be sure, one title is authentic and the other spurious.

It is worth to mention at this juncture that the deed of absolute sale in favor of New Vista recited the following event: that the RTC, Branch 39 in Manila issued on June 30, 1989 in Civil Case No. 85-32311 (in re: liquidation PVB) an Order to release TCT No. (T-25311) 2528 in the names of Clemente Alipit, married to Milagros Alipit, and Maria Alipit. If this recital is true and there is no reason why it is not, then TCT No. (T-25311) 2528 in the name of Maria Alipit alone must, perforce, be a fake instrument. Accordingly, the subsequent sale of Lot No. 1702 to Vitangcol on August 14, 2001 by Maria Alipit with a bogus TCT would be ineffective and certainly fraudulent. Not lost on the Court, as badge of fraud, is, as New Vista points out, the issuance of a new TCT on August 15, 2001 or a day after the subject lot was purportedly sold to Vitangcol.

As found by the RTC in its initial November 25, 2003 order, virtually all the material allegations in the amended complaint are triable issues of facts, a reality indicating that it sufficiently states a cause or causes of action. If the allegations in the complaint furnish sufficient basis on which it can be maintained, it should not be dismissed regardless of the defense that may be presented by the defendants.[30]

On July 15, 2009, the parties filed a Joint Motion to Dismiss informing the Court that they have amicably settled

their differences and have filed a Joint Motion for Judgment Based on Compromise Agreement before the RTC, Branch 35 in Calamba City, Laguna, in Civil Case No. 3195-2001-C. A judgment on said compromise would have preempted the resolution of the instant petition.

WHEREFORE, this petition is hereby DENIED for lack of merit. The records of the case are immediately remanded to the RTC, Branch 35 in Calamba City, Laguna for appropriate action on the Compromise Agreement submitted by the parties.

Let the entry of judgment be made. No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Nachura, and Peralta, JJ., concur.

[1] Rollo, pp. 29-56. Penned by Associate Justice Arturo G. Tayag and concurred in by Associate Justices Elvi John S. Asuncion and Jose C. Mendoza.

[2] Id. at 58-59.

[3] Id. at 65-68. Penned by Judge Romeo C. De Leon.

[4] Id. at 60-61.

[5] Id. at 62-64.

[6] Id. at 62.

[7] Id. at 264-285, dated November 27, 2001.

[8] Id. at 301-310, dated December 10, 2001 captioned "Motion to Dismiss and Comment and Motion to Deposit to the Honorable Court the alleged Owner's Copy of TCT No. (T-25311) T-2528 registered in the names of Clemente Alipit married to Milagros David and Maria L. Alipit (marked as Annex A of the Complaint) and for short, will be hereinafter referred to as 'Falsified Title' and Motion to Order Plaintiff's Guards, Representatives, to terminate trespassing the northern western portion of Lot 1702 and to Remove Therefrom the two billboards announcing that Plaintiff is the owner of Lot 1702, that were posted therein on November 12, 2001 and Pending the Resolution of this Issue and the Motion to Dismiss, to allow Vitangcol to place billboards and assign guards at the southern western portion of Lot 1702 to prevent Plaintiff from placing Squatters on Lot 1702."

[9] Id. at 286-300, Amended Complaint dated June 25, 2003.

[10] The Amended Complaint dated June 25, 2003 pertinently alleges:

2.1. Clemente L. Alipit and defendant Maria L. Alipit are siblings who are previous owners of a parcel of land located in Calamba, Laguna with a previous area of approximately two hundred fifty thousand seven square meters (250,007 sq.m.) and previously covered by Transfer Certificate of Title No. T-(25311) 2528 in the names of Clemente L. Alipit married to Milagros David and Maria L. Alipit issued by the Registry of Deeds of Laguna, x x x herein referred to as the "Subject Property". x x x

x x x x

2.2.3 On 04 April 1989, and pursuant to the Contract To Sell dated 27 March 1989, plaintiff paid Philippine Veterans Bank the redemption value of the Subject Property in the amount of Seven Million Five Hundred Eighteen Thousand Six Hundred Pesos (P7,518,600). Thereafter, the annotation on the title of the Subject

Property regarding the mortgage was cancelled and the mortgage released.

2.2.4. On 09 August 1989, plaintiff paid Clemente L. Alipit and defendant Maria L. Alipit the balance of the purchase price of the Subject Property in the amount of Six Million Five Hundred Twenty Three Thousand Eight Hundred Pesos (6,523,800.00). Upon payment of the balance, Clemente L. Alipit and defendant Maria L. Alipit, acting through their duly authorized agent and attorney-in-fact Milagros D. Alipit, executed a Deed of Absolute Sale dated 09 August 1989 over the Subject Property and gave the original owner's duplicate of Transfer Certificate of Title No. T-(25311) 2528.

2.2.4.1. Clemente L. Alipit and defendant Maria Alipit revalidated, confirmed and ratified the sale of the Subject Property to plaintiff by accepting and/or retaining the sums paid by plaintiff, giving the owner's duplicate of TCT No. T-(25311) 2528 to plaintiff, and turning over possession of the subject property to plaintiff who has present control and possession of the property.

2.3. Immediately after the execution of the Deed of Absolute Sale dated 09 August 1989, plaintiff took possession of the Subject Property and posted security guards and constructed barbed wire fences with cemented poles. Plaintiff continues to remain in possession to date. Clemente Alipit and Maria Alipit never questioned plaintiff's possession.

2.4. x x x Plaintiff then sought to transfer TCT No. T-(25311) 2528 in its name twice; first, on 06 February 1990, and again on 21 May 1990. Plaintiff failed on both attempts to register TCT No. T-(25311) 2528 in its name since the Subject Property was still in the process of being converted from agricultural to industrial/commercial. However, plaintiff was able to have the Deed of Absolute Sale annotated on the Primary Entry Book of the Registry of Deeds in 1990.

2.5. Sometime middle of October 2001, plaintiff was conducting a title search of a prospective parcel of land, which it intended to purchase in Calamba, Laguna. Plaintiff's representative was informed by a staff of the Registry of Deeds of Calamba, Laguna that the Subject Property had already been purchased by defendant Alice E. Vitangcol. Furthermore, plaintiff was also informed, much to its surprise, that a new transfer certificate of title in the name of defendant Alice E. Vitangcol had already been issued on 15 August 2001.

x x x x

2.5.2. Plaintiff noticed that Transfer Certificate of Title No. T-482731 was issued on 15 August 2001 by the Registry of Deeds of Calamba, Laguna.

2.5.3. Attempting to find out how Transfer Certificate of Title No. T-482731 came to be issued, plaintiff was able to secure a copy of an alleged Deed of Absolute Sale dated 14 August 2001. x x x x

2.5.7. Third, the Deed of Absolute Sale dated 14 August 2001 was only between defendant Alice E. Vitangcol and defendant Maria L. Alipit. The Subject Property was previously co-owned by Clemente L. Alipit and defendant Maria L. Alipit and not Maria L. Alipit alone. Plaintiff has obtained from the Land Registration Commission a certified true copy of the Transfer Certificate of Title No. T-(25311) 2528 registered in the names of Clemente L. Alipit and Maria L. Alipit, a copy of which is hereto attached as Annex "E".

2.5.8. A certified true copy of Transfer Certificate of Title No. T-(25311) 2528 dated 8 September 1999 (a copy of which is attached as Annex "F") was also certified by Atty. Casiano Arcilla, the then Register of Deeds of Calamba, Laguna. As shown by the said certified true copy, the subject property covered by TCT No. T-(25311) 2528 was registered in the names of both Clemente L. Alipit and Maria L. Alipit.

2.5.9. At the time of the execution of the Deed of Absolute Sale dated 14 August 2001, defendant Maria L. Alipit

was already about ninety (90) years old and bed-ridden. Her signature appearing on the Deed of Absolute Sale dated 14 August 2001 appears to be totally different and is superimposed by a thumb mark.

[11] Rollo, pp. 324-328, dated December 26, 2003.

[12] Sec. 8. Effect of amended pleadings. - An amended pleading supersedes the pleading it amends. However, admissions in superseded pleadings may be received in evidence against the pleader; claims and defenses alleged therein not incorporated in the amended pleadings shall be deemed waived.

[13] Rollo, p. 68.

[14] RULES OF COURT, Rule 8, Sec. 7.

[15] Rollo, p. 66.

[16] Id. at 55.

[17] World Wide Ins. & Surety Co., Inc. v. Manuel, 98 Phil. 47 (1955).

[18] Rollo, p. 10.

[19] Balanay v. Paderanga, G.R. No. 136963, August 28, 2006, 499 SCRA 670, 675; AC Enterprises, Inc. v. Frabelle Properties Corporation, G.R. No. 166744, 506 SCRA 625, 665-666 (citations omitted).

[20] Fluor Daniel, Inc.-Philippines v. E.B. Villarosa & Partners Co., Ltd., G.R. No. 159648, July 27, 2007, 528 SCRA 321, 327.

[21] Davao Light & Power Co., Inc. v. Judge, Regional Trial Court, Davao City, Br. 8, G.R. No. 147058, March 10, 2006, 484 SCRA 272, 284.

[22] Perkin Elmer Singapore Pte Ltd. v. Dakila Trading Corporation, G.R. No. 172242, August 14, 2007, 530 SCRA 170, 196.

[23] See Tan v. Director of Forestry, No. L-24548, October 27, 1983, 125 SCRA 302.

[24] See Marcopper Corporation v. Garcia, G.R. No. L-55935, July 30, 1986, 143 SCRA 178; U. Bañez Electric Light Company v. Abra Electric Cooperative, Inc., No. L-59480, December 8, 1982, 119 SCRA 90; Mathay v. Consolidated Bank and Trust Company, No. L-23136, August 26, 1974, 58 SCRA 560; Dalandan v. Julio, No. L-19101, February 29, 1964, 10 SCRA 400.

[25] Tan, *supra* note 23.

[26] Malicdem v. Flores, G.R. No. 151001, September 8, 2006, 501 SCRA 248, 259.

[27] Universal Aquarius, Inc. v. Q.C. Human Resources Management Corp., G.R. No. 155990, September 12, 2007, 533 SCRA 38; Fluor Daniel, Inc.-Philippines, *supra* note 20; Malicdem, *id.* at 260.

[28] Pioneer Concrete Philippines, Inc. v. Todaro, G.R. No. 154830, June 8, 2007, 524 SCRA 153, 162 (citations omitted).

[29] Rollo, pp. 62-64.

[30] Jan-Dec Construction Corporation v. Court of Appeals, G.R. No. 146818, February 6, 2006, 481 SCRA 556, 567 (citation omitted).

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