

**KRYSTLE REALTY DEVELOPMENT CORPORATION, REPRESENTED
BY CHAIRMAN OF THE BOARD, WILLIAM C. CU, PETITIONER, VS.
DOMINGO ALIBIN, AS SUBSTITUTED BY HIS HEIRS, NAMELY:
BEATRIZ A. TORZ...**

G.R. No. 196117. August 13, 2014

Ponente: PERLAS-BERNABE, J.

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PERLAS-BERNABE, J.:

Assailed in these consolidated petitions for review on certiorari[1] are the Decision[2] dated October 29, 2010 and the Resolution[3] dated March 11, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 92765 which affirmed the Decision[4] dated November 18, 2008 of the Regional Trial Court (RTC) of Legazpi City, Branch 7 in Civil Case No. 9033 for the annulment of the Deed of Sale[5] dated August 23, 1962 executed in favor of petitioner Caridad Rodriguez, and of Transfer Certificates of Title (TCT) Nos. 40467, 40468 and 40469[6] issued by the Registry of Deeds of Legazpi City.

The Facts

Respondent Domingo Alibin (Domingo) owned an undivided one-half portion of Lot No. 1680 (subject lot) containing an aggregate area of 9,188 square meters, situated at Tahao, Legazpi City, Albay, and registered in his name and that of Mariano Rodriguez (Mariano) under Original Certificate of Title (OCT) No. 0-206.[7] On the strength of a contract to sell[8] which was notarized on July 10, 1962 and a Deed of Sale[9] dated August 23, 1962 purporting to convey Domingo's one-half (½) share of the said lot to Caridad Rodriguez (Caridad), as well as a Deed of Absolute Sale[10] dated December 5, 1994 whereby Mariano and Caridad (the Rodriguezes) transferred their respective rights to the subject lot in favor of petitioner Krystle Realty Development Corporation (Krystle Realty), the original certificate of title was cancelled. In lieu thereof, three (3) TCTs were issued all on the same day of December 5, 1994, as follows: TCT Nos. 40467 and 40468 in the names of the Rodriguezes at one-half (½) share each, and TCT No. 40469[11] in the name of Krystle Realty covering the entire lot.[12]

Claiming that he had not sold his share to Caridad nor received any consideration for the alleged transfer, and that the signature on the deed of sale was not his, Domingo sought to annul the said deed, as well as TCT Nos. 40467, 40468, and 40469, in Civil Case No. 9033 before the RTC of Legazpi City, Branch 4. He died, however, during the pendency of the case, and was consequently substituted by his heirs, herein respondents Beatriz A. Torzar, Virginia A. Taraya, Rosario A. Marco, Jesus A. Alibin, and Jay Alibin, as substituted by his children, namely: Jaynes Alibin, Jay Alibin, and Jesus Alibin, Jr. (respondents).[13]

Caridad, on the other hand, insisted that she had paid Domingo in two (2) installments: P500.00 as down payment on July 10, 1962, and the balance of P400.00 on August 23, 1962 during which he signed the Deed of Sale. She then took possession of Domingo's one-half (½) portion of the subject lot and declared the same for taxation purposes.[14] For its part, Krystle Realty claimed that it was a purchaser in good faith, and that the action, if at all, should be directed against Caridad. In addition, it argued that the action of respondents had already prescribed

considering that the questioned deed of sale between Caridad and Domingo was executed on August 23, 1962, whereas the latter's complaint was filed only on February 15, 1995.[15]

Caridad likewise died, and was substituted first by her brother, Mariano, and upon the latter's death, by Rufino Rodriguez.[16]

The parties agreed to submit to a handwriting expert of the National Bureau of Investigation (NBI) the determination of the genuineness of Domingo's signature on the deed of sale. Subsequently, the NBI issued Questioned Document Report No. 60-196[17] dated June 14, 1996 stating that the questioned and the standard/sample signatures of Domingo submitted to it for examination were written by one and the same person.[18]

On the basis of the said finding, and upon motion of Krystle Realty, the RTC of Legazpi City, Branch 4 rendered a Judgment[19] on October 2, 1996 dismissing the case, which prompted Domingo to file a petition for certiorari before the Court, docketed as G.R. No. 127995.[20] The petition was dismissed, however, in a Resolution dated April 28, 1997 for non-compliance with certain formal requirements for its filing.[21] Meanwhile, Domingo's appeal, docketed as CA-G.R. CV No. 54912, from the aforesaid judgment of the RTC proceeded, and was decided in his favor by the CA in a Decision[22] dated June 22, 1998, which set aside and remanded the case to the court a quo for further proceedings. The CA ruled that, even if the question of forgery was to be considered as already settled, there are other issues of fact and law that should still be resolved, such as the absence of consideration in the questioned sale, the supposed irregularities which attended the execution of the deed of sale, and the legality of the issuance of the certificates of title. Hence, the judgment of the RTC, which could have only been rendered in the absence of a veritable issue on a material fact, was improper under the circumstances.[23]

The RTC Ruling

After due trial, the RTC of Legazpi City, Branch 7 rendered a Decision[24] on November 18, 2008 (a) annulling the Deed of Sale dated August 23, 1962; (b) declaring respondents as the rightful owners of the one-half (½) undivided portion of the subject lot, and Krystle Realty as to the remaining one-half (½) portion; (c) ordering the cancellation of TCT Nos. 40467, 40468, and 40469 and, in lieu thereof, the issuance of new TCTs in the names of respondents and of Krystle Realty; (d) dismissing the counterclaims against respondents; and (e) awarding attorney's fees and costs of suit in favor of respondents.

The RTC invalidated the Deed of Sale dated August 23, 1962 after conducting its own independent examination and finding that the signature of Domingo on said deed is different from his true signatures as appearing on the documents submitted in evidence by Caridad herself. It did not give credence to the testimony of Eliodoro Constantino (Constantino), a document examiner of the NBI, who concluded that the specimen signatures he and his team examined were written by one and the same person, without, however, giving a categorical conclusion that such specimen signatures were indeed those of Domingo. In this relation, the RTC pointed out that Constantino's own signature as examiner did not appear on the three-page Questioned Documents Report No. 60-196 describing the findings of their examination, but only in an additional paper which was not included in the original report first delivered to the court, prompting the latter to conclude that said additional paper was "belatedly inserted." Moreover, the examiner who actually prepared the aforementioned Report, i.e., Flordeliza A. Labanon, was not presented as a witness, and no plausible explanation for such omission.[25]

The RTC further observed certain anomalies which attended the transactions involving the eventual transfer of title to Krystle Realty. Particularly, the relevant documents pertaining to the subject lot that were supposed to be kept in the Registry of Deeds of Legazpi City in the ordinary course of business could no longer be found, and the former records officer, Estrella Ramirez, who can best explain said transactions was not called to the witness

stand either by the Rodriguezas or Krystle Realty. Neither did they produce these documents in court, as in fact, even if the deeds of sale purportedly executed by Domingo in favor of Caridad were previously marked in evidence, the offer thereof was consequently “waived because of the absence of said documents.”[26] Moreover, the trial court perceived it to be “quite unusual” that the Deed of Absolute Sale executed by the Rodriguezas in favor of Krystle Realty was dated December 5, 1994, and the TCT of the latter was issued on the very same day at 10:00 a.m.[27]

Finally, the RTC declared Krystle Realty to be a purchaser in bad faith in view of the admission of its representative, Mr. William Cu, that he was aware of the fact that Domingo was part owner of the subject lot and that he even asked a certain Rudy Gueco to talk to Domingo about the sale of his one-half (½) share.[28]

Aggrieved, Krystle Realty and Caridad elevated their cases on appeal before the CA, docketed as CA-G.R. CV No. 92765.

The CA Ruling

The CA affirmed the findings of the RTC in a Decision[29] dated October 29, 2010 on the ground that respondents were able to establish that the Deed of Sale dated August 23, 1962 was not valid and, hence, should be annulled.[30] It further held that the transactions involving the sale of Domingo’s one-half (½) undivided share were “anomalous,” and Krystle Realty was “not a purchaser in good faith.”[31] Considering the questionable haste and irregularities attending the registration of the alleged sale of Domingo’s share, the cancellation of OCT No. 0-206, and the issuance of TCT Nos. 40467, 40468, and 40469 all on the same day, i.e., December 5, 2004, the CA concluded that Krystle Realty and the Rodriguezas were “obviously in cahoots” with the former Register of Deeds of Legazpi City, Atty. Elmer A. Rañeses.[32]

On the issue of estoppel and laches raised by Krystle Realty, the CA ruled that, since Domingo neither consented to the alleged sale nor signed the purported Deed of Sale dated August 23, 1962 in favor of Caridad, there was no contract to speak of, and the action to declare its inexistence does not prescribe pursuant to Article 1410 of the Civil Code.[33]

Motions for reconsideration were subsequently filed by Caridad and Krystle Realty which were, however, denied by the CA in a Resolution[34] dated March 11, 2011 for lack of merit. Accordingly, Krystle Realty instituted the present petition in G.R. No. 196117, and Caridad, as substituted by Rufino Rodriguez, the petition in G.R. No. 196129, both of which were eventually consolidated.[35]

The Issue Before the Court

The pivotal issue in this case is whether or not the CA correctly affirmed the nullification of the Deed of Sale dated August 23, 1962 and the declaration of Krystle Realty as a purchaser in bad faith.

The Court’s Ruling

It is a settled rule that the Court is not a trier of facts and, hence, does not normally undertake the re-examination of the evidence presented by the contending parties during the trial of the case, considering that the factual findings of the CA are generally conclusive and binding on the Court,[36] especially if they do not contradict those of the trial court, as in this case.

Contrary to the contention of petitioners, the CA has not overlooked any relevant fact which, if properly considered, would justify a different conclusion. That the parties herein agreed to submit the determination of the genuineness of Domingo’s signature to a handwriting expert of the NBI does not, by any stretch of the imagination, authorize the RTC to accept the findings of such expert hook, line, and sinker. The trial court is the

most capable trier of facts and, as such, should not abdicate its judicial duty to decide.

As correctly pointed out by the CA, the authenticity of a signature is a matter that is not so highly technical as to preclude a judge from examining the signature himself and ruling upon the question of whether the signature on a document is forged or not.[37] The opinion of a handwriting expert, therefore, does not mandatorily bind the court,[38] the expert's function being to place before the court data upon which it can form its own opinion.[39]

In this case, both the RTC and the CA conducted independent examinations of the specimen signatures, which is authorized by law,[40] and unanimously concluded that the questioned signature on the Deed of Sale dated August 23, 1962 is different from the standard signatures of Domingo as appearing on documents submitted in evidence by petitioner Caridad Rodriguez. Absent any cogent reason to deviate from such finding of forgery, which is the basis for the annulment of the said deed, the same should be deemed conclusive and binding upon the Court.

Separately, on Krystle Realty's claim that it is a buyer in good faith, the Court finds that the latter cannot veer away from the admission of its representative, Mr. William Cu, i.e., that he was aware of Domingo's interest in the subject lot, and that Caridad had no title in her name at the time of the sale, thus, giving rise to the conclusion that it (Krystle Realty) had been reasonably apprised of the ownership controversy over the subject lot. This notwithstanding, records show that Krystle Realty proceeded with the transaction without further examining the seller's title and thus, could not claim to have purchased the subject lot in good faith. Verily, one is considered a buyer in bad faith not only when he purchases real estate with knowledge of a defect or lack of title in his seller but also when he has knowledge of facts which should have alerted him to conduct further inquiry or investigation,[41] as Krystle Realty in this case. Further, the irregularities attending the issuance of TCT Nos. 40467, 40468, and 40469 as pointed out by the CA are equally indicative of lack of good faith on Krystle Realty's part. Indeed, what it failed to realize is that, as one asserting the status of a buyer in good faith and for value, it had the burden of proving such status, which goes beyond a mere invocation of the ordinary presumption of good faith.[42]

The Court likewise rejects the belated claim of *res judicata* anchored on the dismissal of the petition for certiorari in G.R. No. 127995 filed by Domingo as per its Resolution dated April 28, 1997, which became final and executory on June 16, 1997.[43] As the records disclose, petitioners never raised this issue in the appeal in CA-G.R. CV No. 54912 before the CA, and even in the subsequent proceedings before the RTC and the CA in CA-G.R. CV No. 92765.[44] Settled is the rule that points of law, theories, issues and arguments not brought to the attention of the lower court need not be considered by a reviewing court, as they cannot be raised for the first time at that late stage. Basic considerations of fairness and due process impel this rule.[45]

WHEREFORE, the consolidated petitions are DENIED. Accordingly, the Decision dated October 29, 2010 and the Resolution dated March 11, 2011 of the Court of Appeals in CA-G.R. CV No. 92765 are hereby AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Brion, Del Castillo, and Perez, JJ., concur.

[1] Rollo (G.R. No. 196117), pp. 10-53; rollo (G.R. No. 196129), pp. 8-31.

[2] Rollo (G.R. No. 196117), pp. 59-100; rollo (G.R. No. 196129), pp. 74-115. Penned by Associate Justice Celia C. Librea-Leagogo, with Associate Justices Remedios A. Salazar-Fernando and Michael P. Elbinias, concurring.

[3] Rollo (G.R. No. 196117), pp. 102-104; rollo (G.R. No. 196129), pp. 129-131.

- [4] Rollo (G.R. No. 196117), pp. 105-128; rollo (G.R. No. 196129), pp. 49-72.
- [5] Rollo (G.R. No. 196117), pp. 158-159.
- [6] Id. at 172. Including the dorsal portion thereof.
- [7] Id. at 153-154.
- [8] Id. at 156-157.
- [9] Id. at 158-159.
- [10] Id. at 170-171.
- [11] Id. at 172.
- [12] Rollo (G.R. No. 196117), p. 106; rollo (G.R. No. 196129), p. 50.
- [13] Id. at 64-65.
- [14] Rollo (G.R. No. 196117), p. 112; rollo (G.R. No. 196129), p. 56.
- [15] Rollo (G.R. No. 196117), p. 119; rollo (G.R. No. 196129), p. 63.
- [16] See footnote in the CA Decision. Rollo (G.R. No. 196117), p. 59; rollo (G.R. No. 196129), p. 74.
- [17] Rollo (G.R. No. 196117), pp. 174-177.
- [18] Rollo (G.R. No. 196129), pp. 40-41.
- [19] Rollo (G.R. No. 196117), pp. 178-181. Penned by Judge Gregorio A. Consulta.
- [20] Entitled “Domingo Alibin v. Hon. Gregorio Consulta, et al.”
- [21] Rollo (G.R. No. 196129), p. 33.
- [22] Rollo (G.R. No. 196117), pp. 190-201; rollo (G.R. No. 196129), pp. 36-47. Penned by Associate Justice Fermin A. Martin, Jr., with Associate Justices Conrado M. Vasquez, Jr. and Teodoro P. Regino, concurring.
- [23] Rollo (G.R. No. 196117), p. 200; rollo (G.R. No. 196129), p. 46.
- [24] Rollo (G.R. No. 196117), pp. 105-128; rollo (G.R. No. 196129), pp. 49-72. Penned by Judge Jose G. Dy.
- [25] Rollo (G.R. No. 196117), pp. 124-125; rollo (G.R. No. 196129), pp. 68-69.
- [26] Rollo (G.R. No. 196117), p. 126; rollo (G.R. No. 196129), p. 70.
- [27] Rollo (G.R. No. 196117), p. 127; rollo (G.R. No. 196129), p. 71.
- [28] Rollo (G.R. No. 196117), p. 127; rollo (G.R. No. 196129), p. 71.
- [29] Rollo (G.R. No. 196117), pp. 59-100; rollo (G.R. No. 196129), pp. 74-115.
- [30] Rollo (G.R. No. 196117), p. 86; rollo (G.R. No. 196129), p. 101.
- [31] Rollo (G.R. No. 196117), p. 89; rollo (G.R. No. 196129), p. 104.
- [32] Rollo (G.R. No. 196117), p. 95; rollo (G.R. No. 196129), p. 110.
- [33] Rollo (G.R. No. 196117), pp. 95-96; rollo (G.R. No. 196129), pp. 110-111.

[34] Rollo (G.R. No. 196117), pp. 102-104; rollo (G.R. No. 196129), pp. 129-131.

[35] See Resolution dated June 8, 2011; rollo (G.R. No. 196117), pp. 202-203.

[36] See *Calilap-Asmeron v. Development Bank of the Philippines*, G.R. No. 157330, November 23, 2011, 661 SCRA 54, 65.

[37] *Belgica v. Belgica*, 558 Phil. 67, 74-75 (2007).

[38] *Tanenggee v. People*, G.R. No. 179448, June 26, 2013, 699 SCRA 639, 658.

[39] See *Lorzano v. Tabayag, Jr.*, G.R. No. 189647, February 6, 2012, 665 SCRA 38, 47.

[40] RULES OF COURT, Rule 132, Section 22. See also rollo (G.R. No. 196117), p. 86; rollo (G.R. No. 196129), p. 101.

[41] See *Pudadera v. Magallanes*, G.R. No. 170073, October 18, 2010, 633 SCRA 332, 348.

[42] *Eagle Realty Corp. v. Republic*, 579 Phil. 355, 372 (2008).

[43] Rollo (G.R. No. 196117), pp. 188-189; rollo (G.R. No. 196129), pp. 33-34.

[44] “It is axiomatic that for the doctrine of *res judicata* to apply, it is essential that the prior judgment, invoked as a bar to a subsequent action or proceeding, be *inter alia* one on the merits. Equally perceptible is that if the doctrine is not set up as a defense or ground of objection seasonably, it is deemed waived; it cannot be asserted for the first time on appeal.” (*Alvarez, Jr. v. CA*, 242 Phil. 134, 140 [1988].)

[45] *Besana v. Mayor*, G.R. No. 153837, July 21, 2010, 625 SCRA 203, 214.

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