

SPOUSES EDGARDO M. AGUINALDO AND NELIA T. TORRES-AGUINALDO, PETITIONERS, VS. ARTEMIO T. TORRES, JR., RESPONDENT.

G.R. No. 225808. September 11, 2017

Ponente: PERLAS-BERNABE, J.

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PERLAS-BERNABE, J.:

Before the Court is a petition for review on certiorari[1] assailing the Decision[2] dated May 20, 2015 and the Resolution[3] dated July 14, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 96014, which (a) affirmed the Decision[4] dated January 21, 2010 of the Regional Trial Court of Trece Martires City, Branch 23 (RTC), dismissing the complaint for annulment of sale, cancellation of title, and damages filed by petitioners Spouses Edgardo M. Aguinaldo and Nelia T. Torres-Aguinaldo (Nelia; collectively, petitioners) against respondent Artemio T. Torres, Jr. (respondent); and (b) ordered petitioners to execute a registrable deed of conveyance in favor of respondent within thirty (30) days from the finality of the CA Decision, in accordance with Articles 1357 and 1358 (1) of the Civil Code.[5]

The Facts

On March 3, 2003, petitioners filed a complaint[6] for annulment of sale, cancellation of title, and damages against respondent before the RTC. They claimed that they are the registered owners of three (3) lots covered by Transfer Certificates of Title (TCT) Nos. T-93596, T-87764, and T-87765 situated in Tanza, Cavite (subject properties).[7] Sometime in December 2000, they discovered that the titles to the subject properties were transferred to respondent who, in bad faith, and through fraud, deceit, and stealth, caused the execution of a Deed of Absolute Sale[8] dated July 21, 1979 (1979 deed of sale), purportedly selling the subject properties to him, for which he was issued TCT Nos. T-305318, T-305319, and T-305320[9] (subject certificates of title).

Respondent filed his Answer with Counterclaim,[10] denying participation in the execution of the 1979 deed of sale, and averring that the subject properties were validly sold by petitioners to him through a Deed of Absolute Sale[11] dated March 10, 1991 (1991 deed of sale).[12] He claimed that petitioners caused the registration of the 1979 deed of sale with the Register of Deeds of Trece Martires City, and the transfer of title in his name, hence, they are estopped from impugning the validity of his title. Moreover, the action has prescribed, having been filed beyond four (4) years from discovery of the averred fraud, reckoned from the registration of the said deed on March 26, 1991.[13] He further alleged that petitioners only filed the instant baseless suit to harass him in view of their acrimonious relationship, and thus, interposed a counterclaim for moral damages and attorney's fees.[14]

The RTC Proceedings

On respondent's motion,[15] a copy of the 1991 deed of sale was transmitted to the National Bureau of Investigation (NBI) Questioned Documents Department for examination and determination of its genuineness.[16] The NBI thereafter submitted reports concluding that petitioners' questioned signatures thereon and their sample signatures were written by the same persons.[17]

Thus, in a Decision[18] dated January 21, 2010, the RTC dismissed the complaint, holding that petitioners failed to establish their claim by preponderance of evidence.[19] It found that petitioners validly sold the subject properties to respondent,[20] considering too Nelia's admission of the sale in her letter[21] dated November 12, 1998 (November 12, 1998 letter) to respondent.[22]

Aggrieved, petitioners appealed[23] before the CA.[24]

The CA Ruling

In a Decision[25] dated May 20, 2015, the CA denied the appeal and upheld the RTC's findings and conclusions.[26] While it ruled that the 1979 deed of sale was spurious after conducting its own examination of petitioners' signatures thereon and on other pertinent documents, and thus, did not transfer title over the subject properties to respondent, it declared that there was, nonetheless, a valid sale to the latter,[27] considering that: (a) petitioners failed to rebut the authenticity and due execution of the 1991 deed of sale on account of their genuine signatures thereon as established by the NBI reports,[28] and the CA's own independent examination of their signatures on various documents submitted before the court;[29] (b) Nelia admitted the existence of the sale of the subject properties in her November 12, 1998 letter to respondent;[30] and (c) respondent's religious payment of real property taxes on the subject properties from 1993 to 2003 supports his claim of ownership, for no one in his right mind would be paying taxes for a property if he does not claim possession in the concept of an owner.[31]

However, the CA observed that despite its authenticity and due execution, the 1991 deed of sale was improperly notarized, given that it was signed by respondent and witness Lalaine Bucapal (Bucapal) in Makati City, and by petitioners in the United States of America (USA), but notarized in Tanza, Cavite;[32] as such, the same could not be properly registered by the Register of Deeds.[33] Accordingly, the CA found it equitable to compel petitioners to execute a registrable deed of conveyance in favor of respondent within thirty (30) days from finality of the Decision, in accordance with Articles 1357 and 1358 (1) of the Civil Code.[34]

Petitioners filed a motion for reconsideration,[35] which the CA denied in a Resolution[36] dated July 14, 2016; hence, this petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA committed reversible error in ruling that there was a valid conveyance of the subject properties to respondent and directing petitioners to execute a registrable deed of conveyance in his favor within thirty (30) days from the finality of the decision.

The Court's Ruling

In the present case, the complaint was filed assailing the validity of the 1979 deed of sale, the execution of which was denied by both parties. However, while the CA found that petitioners' signatures on the said deed were manifestly different from their signatures on other pertinent documents before it, and thus, declared the said deed as spurious and did not validly transfer title to the subject properties, it failed to nullify the subject certificates of title issued pursuant to the said deed. Settled is the rule that a forged deed of sale is null and void and conveys no title.[37] Notably, the complaint prayed for the nullification of the said certificates of title based on the spurious 1979 deed of sale.[38] Hence, finding the foregoing in order, the CA's ruling must be modified accordingly.

Nonetheless, save for the above modification, the Court agrees with the CA's conclusion that a valid conveyance of the subject properties to respondent was established.

While respondent denied participation in the execution of the 1979 deed of sale, he claimed that the subject properties were validly sold by petitioners to him through the 1991 deed of sale.[39] On the other hand,

petitioners denied the existence and due execution of the said deed, claiming that they could not have signed the same as they were in the USA when it was supposedly executed.[40]

Thus, central to the resolution of the instant controversy is the determination of the authenticity of the 1991 deed of sale which, however, is a question of fact rather than of law.[41] It bears to stress that it is not the function of the Court to re-examine, winnow, and weigh anew the respective sets of evidence of the parties,[42] absent a showing that they fall under certain recognized exceptions,[43] none of which are present here.

At the outset, it should be pointed out that the 1991 deed of sale was improperly notarized, having been signed by respondent and witness Bucapal in Makati City and by petitioners in the USA, but notarized in Tanza, Cavite,[44] which is in violation of the notarial officer's duty to demand that the party acknowledging a document must appear before him,[45] sign the document in his presence,[46] and affirm the contents and truth of what are stated therein.[47] As aptly observed by the CA, the evidence on record amply shows that Nelia could not have been in the Philippines at the time the said deed was signed.[48]

The improper notarization of the 1991 deed of sale stripped it of its public character and reduced it to a private instrument.[49] Hence, it is to be examined under the parameters of Section 20, Rule 132 of the Rules of Court (Rules) which pertinently provides that "[b]efore any private document offered as authentic is received in evidence, its due execution and authenticity must be proved either: (a) [b]y anyone who saw the document executed or written; or (b) [b]y evidence of the genuineness of the signature or handwriting of the maker." [50] Emphases supplied.

In relation thereto, Section 22, Rule 132 of the same Rules provides the manner by which the genuineness of handwriting may be proved, i.e.: (a) by any witness who believes it to be the handwriting of such person because he has seen the person write; or he has seen writing purporting to be his upon which the witness has acted or been charged; (b) by a comparison, made by the witness or the court, with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge.

In this case, the CA made an independent examination of petitioners' signatures on the 1991 deed of sale (questioned signatures), and concluded that they are the same signatures found on other pertinent documents (standard/sample signatures),[51] which is the same conclusion arrived at by the NBI.[52] The due execution and authenticity of the said deed having been ostensibly established by the finding that the signatures of petitioners thereon were genuine, the burden was shifted upon the latter to prove by contrary evidence that the subject properties were not so transferred[53] - especially in light of Nelia's admission of the sale[54] in her November 12, 1998 letter to respondent, as well as respondent's payment of the real property taxes for the same[55] - which petitioners, however, failed to discharge convincingly.

The Court has held in a number of cases that forgery cannot be presumed and must be proved by clear, positive, and convincing evidence, and the burden of proof lies on the party alleging forgery to establish his case by a preponderance of evidence, or evidence which is of greater weight or more convincing than that which is offered in opposition to it.[56] In this case, the claimed forgery was ruled out by a comparison of petitioners' questioned signatures with their standard/sample signatures, but other than their own declaration that their signatures on the 1991 deed of sale were forged, petitioners failed to present any evidence to corroborate their claim.

Although the improper notarization of the 1991 deed of sale did not affect the validity of the sale of the subject properties to respondent, the same, however, rendered the said deed unregistrable, since notarization is essential to the registrability of deeds and conveyances.[57] Bearing in mind that the legal requirement that the sale of real property must appear in a public instrument is merely a coercive means granted to the contracting parties to enable them to reciprocally compel the observance of the prescribed form,[58] and considering that the existence

of the sale of the subject properties in respondent's favor had been duly established, the Court upholds the CA's directive for petitioners to execute a registrable deed of conveyance in respondent's favor within thirty (30) days from finality of the decision, in accordance with the prescribed form under Articles 1357[59] and 1358[60] (1) of the Civil Code. Notably, if petitioners fail to comply with this directive within the said period, respondent has the option to file the proper motion before the court a quo to issue an order divesting petitioners' title to the subject properties under the parameters of Section 10 (a),[61] Rule 39 of the Rules of Court.

To be sure, the directive to execute a registrable deed of conveyance in respondent's favor - albeit not specifically prayed for in respondent's Answer with Counterclaim - is but a necessary consequence of the judgment upholding the validity of the sale to him, and an essential measure to put in proper place the title to and ownership of the subject properties and to preclude further contentions thereon. As aptly explained by the CA, "[t]o leave the [1991 deed of sale] as a private one would not necessarily serve the intent of the country's land registration laws[, and] resorting to another action merely to compel the [petitioners] to execute a registrable deed of sale would unnecessarily prolong the resolution of this case, especially when the end goal would be the same." [62] In this relation, case law states that a judgment should be complete by itself; hence, the courts are to dispose finally of the litigation so as to preclude further litigation between the parties on the same subject matter, thereby avoiding a multiplicity of suits between the parties and their privies and successors-in-interests.[63]

As a final note, it must be clarified that while the Court has declared TCT Nos. T-305318, T-305319, and T-305320 null and void, the duty to process the cancellation of the said titles devolves upon respondent's heirs. Likewise, it is the latter's duty to register the new deed of sale as herein compelled so as to secure the issuance of new certificates of title over the subject properties in their names.

WHEREFORE, the petition is DENIED. The Decision dated May 20, 2015 and the Resolution dated July 14, 2016 of the Court of Appeals in CA-G.R. CV No. 96014 are AFFIRMED with the MODIFICATION

declaring the Deed of Absolute Sale dated July 21, 1979, as well as Transfer Certificates of Title Nos. T-305318, T-305319, and T-305320 in the name of respondent Artemio Torres, Jr. NULL and VOID. Petitioners are DIRECTED to execute a registrable deed of conveyance in respondent's favor within thirty (30) days from finality of this Decision, in accordance with the prescribed form under Articles 1357 and 1358 (1) of the Civil Code. In case of non-compliance with this directive within the said period, respondent has the option to file the proper motion before the court a quo to issue an order divesting petitioners' title to the subject properties under the parameters of Section 10 (a), Rule 39 of the Rules of Court.

SO ORDERED.

Carpio,[*] Acting C. J., (Chairperson), Peralta, Caguioa, and Reyes, Jr., JJ., concur.

[*] Acting Chief Justice per Special Order No. 2479 dated August 31, 2017.

[**] Substituted by his heirs Artemio L. Torres III, Emiko Nakajima Torres, Michael Melvin L. Torres, Reedah Chigusa N. Torres, and Ritz Emi N. Torres. See CA Resolution dated July 14, 2016; rollo, p. 53.

[1] Id. at 9-29.

[2] Id. at 32-51. Penned by Associate Justice Ramon Paul L. Hernando with Associate Justices Stephen C. Cruz and Elihu A. Ybañez, concurring.

[3] Id. at 53-57.

- [4] Id. at 72-79. Penned by Executive Judge Aurelio G. Icasiano, Jr.
- [5] Id. at 50-51.
- [6] Dated March 3, 2003. Id. at 60-65.
- [7] Id. at 60-61.
- [8] Records, pp. 13-15.
- [9] Id. at 16-18, 19-20, and 21-23.
- [10] Dated August 18, 2003; rollo, pp. 66-71.
- [11] Records, pp. 60-62.
- [12] Id. at 67.
- [13] Rollo, p. 68.
- [14] Id. at 69.
- [15] See Motion to Issue an Order dated April 7, 2006; records, pp. 196-198.
- [16] Rollo, p. 73.
- [17] Id. at 76.
- [18] Id. at 72-79.
- [19] Id. at 79.
- [20] Id. at 78.
- [21] Records, pp. 190-193.
- [22] Id. at 190, 192.
- [23] See Appellant's Brief dated June 9, 2011; rollo, pp. 85-129.
- [24] Id. at 37.
- [25] Id. at 32-51.
- [26] Id. at 51.
- [27] Id. at 38-39.
- [28] Id. at 45.
- [29] Id. at 40.
- [30] Id. at 41.
- [31] Id. at 44.
- [32] Id. at 45-46.
- [33] Id. at 49-50.
- [34] Id. at 50-51.

[35] Dated June 11, 2015; id. at 131-136.

[36] Id. at 53-57.

[37] See *Rufloe v. Burgos*, 597 Phil. 261, 270 (2009).

[38] See rollo, p. 63.

[39] Id. at 36.

[40] Id. at 46.

[41] *Spouses Bernales v. Heirs of Sambaan*, 624 Phil. 88, 97 (2010).

[42] *Almagro v. Spouses Amaya, Sr.*, 711 Phil. 493, 503-504 (2013).

[43] Recognized exceptions to the rule are: (1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on misapprehension of facts; (5) when the findings of fact are conflicting; (6) when in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellee and the appellant; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or (11) when the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion. (See id.; emphasis supplied; citations omitted)

[44] Rollo, pp. 45-46.

[45] See *Coronado v. Felongco*, 398 Phil. 496, 502 (2000).

[46] See *Realino v. Villamor*, 176 Phil. 632, 635 (1978).

[47] See *Heirs of Amado Celestial v. Heirs of Celestial*, 455 Phil. 704, 717 (2003), citing *Protacio v. Mendoza*, 443 Phil. 12, 20 (2003).

[48] Rollo, p. 46.

[49] *Heirs of Sarili v. Lagrosa*, 724 Phil. 608, 619 (2014).

[50] Id.

[51] Rollo, p. 40.

[52] Id. at 40-41.

[53] See *Heirs of Biona v. CA*, 414 Phil. 297, 306 (2001).

[54] Records, p. 190.

[55] See *Official Receipts of Payment of Real Property Tax*; id. at 385-393. Jurisprudence is replete with cases holding that realty tax payments of property are good indicia of possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession. The payment of taxes, coupled with actual possession of the land covered by the tax declaration, strongly supports a claim of ownership. See *Imuan v. Cereno*, 615 Phil 489, 501 (2009).

[56] See *Ambray v. Tsourous*, G.R. No. 209264, July 5, 2016; *Gepulle-Garbo v. Spouses Garabato*, 750 Phil. 846, 855 (2015).

[57] See Section 12, Presidential Decree No. 1529 entitled "Property Registration Decree," approved on June 11, 1978.

[58] *Chong v. CA*, 554 Phil. 43, 62 (2007). See also *San Miguel Properties, Inc. v. BF Homes, Inc.*, 765 Phil. 672, 708 (2015), citing *Cenido v. Spouses Apacionado*, 376 Phil. 801, 820 (1999).

[59] Article 1357. If the law requires a document or other special form, as in the acts and contracts enumerated in the following article [Article 1358], the contracting parties may compel each other to observe that form, once the contract has been perfected. This right may be exercised simultaneously with the action upon the contract. (Emphasis supplied)

[60] Article 1358. The following must appear in a public document:

(1) Acts and contracts which have for their object the creation, transmission, modification or extinguishment of real rights over immovable property; sales of real property or of an interest therein are governed by Articles 1403, No. 2, and 1405[.]

[61] Section 10. Execution of judgments for specific act. — (a) Conveyance, delivery of deeds, or other specific acts; vesting title. — If a judgment directs a party to execute a conveyance of land or personal property, or to deliver deeds or other documents, or to perform any other specific act in connection therewith, and the party fails to comply within the time specified, the court may direct the act to be done at the cost of the disobedient party by some other person appointed by the court and the act when so done shall have like effects as if done by the party. If real or personal property is situated within the Philippines, the court in lieu of directing a conveyance thereof may by an order divest the title of any party and vest it in others, which shall have the force and effect of a conveyance executed in due form of law. (Emphases supplied)

[62] See rollo, p. 64.

[63] *Spouses Gonzaga v. CA*, 483 Phil. 424, 437 (2004).

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