

**SPOUSES ANTONIO BORNALES AND FLORENDIA DIAZ BORNALES,
PETITIONERS, VS. THE HONORABLE INTERMEDIATE APPELLATE
COURT AND ISABEL MARQUEZ DUMOLONG, RESPONDENTS.***G.R. No. 75336. October 18, 1988*

Ponente: CORTES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-75336/>**CORTES, J.:**

The subject matter of this controversy is a parcel of land (Lot 1318) situated in Barrio Indayagan, Pontevedra (Maayon), Capiz with an area of 74,397 square meters. The land was originally awarded by Decree No. 29015 dated September 21, 1927 in the name of Sixto Dumolong, married to Isabel Marquez, to whom Original Certificate of Title No. 6161 was issued.

Sixto and Isabel whose marriage was not blessed with any child lived separately since 1920. Subsequently, Sixto cohabited extramaritally with Placida Dumolong with whom he had a son by the name of Renito Dumolong and other children.

Sometime in November, 1977, representing herself as having hereditary interest in Lot 1318, Placida filed with the Court of First Instance of Capiz a petition for reconstitution of title over said lot. Reconstitution was granted in a decision dated November 18, 1977 and Original Certificate of Title No. RO-6161 was issued in the name of "Sixto Dumolong married to Isabel Marquez".

On March 15, 1978, a "Deed of Extrajudicial Adjudication and Sale of Real Property", which was purportedly a settlement of the conjugal estate of Sixto Dumolong and Isabel Marquez Dumolong, involving Lot 1318, and the sale of said lot for P6,000.00 to spouses Carlito Patanao and Minda Dumolong and to spouses Bernardo Decrepito and Loreta Dumolong, was executed by Renito Dumolong and by Isabel Marquez Dumolong whose supposed thumbmark appeared in the document.

The deed was registered on November 10, 1978, and pursuant thereto, Transfer Certificate of Title No. T-15856 was issued the abovenamed spouses on the same date. About three months later, or on February 21, 1979, the spouses sold Lot 1318 for P40,000.00 to petitioner-spouses Antonio Bornales and Florendia Diaz Bornales through a Deed of Absolute Sale [Petition, Annex "C", Rollo, p. 15.] Petitioners eventually secured Transfer Certificate of Title No. 15596 for Lot 1318 in their names.

Alleging forgery of the "Deed of Extrajudicial Adjudication and Sale of Real Property", private respondent Isabel Marquez filed on March 11, 1980 an action for reconveyance and damages against Placida Dumolong, Renito Dumolong, spouses Carlito Patanao and Minda Dumolong, spouses Bernardo Decrepito and Loreta Dumolong, and spouses Antonio Bornales and Florendia Diaz. The case was docketed as Civil Case No. V-4366 in the Court of First Instance of Capiz. Only the spouses Bornales answered; the other defendants were declared in default.

After trial on the merits, the lower court rendered judgment in Civil Case No. V-4366 in favor of plaintiff and against all the defendants including the petitioners herein who were expressly declared purchasers in bad faith.

The subject land was held to be the conjugal property of Sixto Dumolong and plaintiff Isabel Marquez and that the Deed of Extrajudicial Adjudication and Sale of Real Property was a forgery through the machinations of the defaulted defendants.

The spouses Bornaes timely filed their appeal with the respondent court, which appeal was docketed as AC-G.R. CV No. 05578. On April 1, 1986, the appellate court affirmed the appealed decision in favor of private respondent and against the petitioners but with modifications for the appellate court found that the land was the exclusive property of Sixto Dumolong who had other illegitimate children surviving with Renito Dumolong. The dispositive portion of the decision reads:

WHEREFORE, another judgment is entered -

(1)

declaring the Deed of Extrajudicial Adjudication dated March 15, 1978 null and void;

(2)

cancelling Transfer Certificate of Titles Nos. T-15856 and 15996;

(3)

declaring Isabel Marquez Dumolong the true and lawful owner of pro-indiviso one-half of the land described in said titles as her intestate inheritance from Sixto Dumolong;

(4)

declaring the other half of said titles as the intestate inheritance of the illegitimate children of Sixto Dumolong to be divided by them in equal shares;

(5)

ordering the appellants and all defaulted defendants, jointly and severally, to pay the appellee the sum of P5,000.00 as moral damages with interest of 14% per annum from April 16, 1980, the date the complaint was filed, until full payment;

(6)

ordering appellants and all defaulted defendants, jointly and severally, to pay the appellee the sum of P5,000.00 as exemplary damages, with interest of 14% per annum from April 16, 1980, the date the complaint was filed, until full payment;

(7)

ordering the appellants and all defaulted defendants to pay the appellee the sum of P5,000.00 as attorney's fees; and

(8)

ordering cross-defendants Carlito Patanao, Minda Dumolong, Bernardo Decrepito and Loreta Demulong, jointly and severally, to reimburse to the appellants the sum of P40,000.00 with its interests of 14% per annum from May 8, 1980, the date of the filing of the answer with cross-claim, until full payment and the sum of P5,000.00 as attorney's fees.

Costs against the appellants.

SO ORDERED.

[Petition, Annex "D", Rollo, pp. 24-26.]

Petitioners' motion for reconsideration filed on April 19, 1986 was denied in a resolution of respondent court dated June 17, 1986.

The present petition raises questions of fact. To justify therefore a review by this Court of the decision of the respondent appellate court, the following reasons are adduced by the petitioners:

(1)

The conclusion of respondent court that herein petitioners are purchasers in bad faith is a finding grounded entirely on speculation, surmises and conjecture; and

(2)

The inference made by the respondent court that herein petitioners have knowledge that the persons who sold them the property in question have acquired the same through forged documents is manifestly mistaken, absurd and impossible. [Petition, p. 5, Rollo, p. 7.]

The petitioners assail the finding of the respondent appellate court that they are purchasers in bad faith on the ground that such is based on a misapprehension of facts.

There is no merit to this allegation. The chain of events starting from the reconstitution of the original certificates of title to the execution of the deed of absolute sale in favor of the petitioners reveals a clear scheme to dispossess the private respondent of her share in the property subject of this controversy.

The finding of the Court of Appeals that the land was sold barely three (3) months after the execution of the deed of extra-judicial settlement and the deed of sale is supported by evidence on record. The date appearing on the deed of sale (March 15, 1978) indicates a time span of eight (8) months to the subsequent execution of the deed of absolute sale in favor of the petitioners. However, when the time is reckoned from the date of registration of the deed with the Register of Deeds, it appears that only three (3) months had lapsed when the sale of the subject land to the petitioners took place. The land was registered in the names of the spouses Carlito Patanao and Minda Dumolong and spouses Bernardo Decrepito and Loreta Dumolong on November 10, 1978 [See Annex "B", Petition; Rollo, p. 14.] Three (3) months later or on February 21, 1979, the spouses sold the land to the petitioners [See Annex "C", Petition; Rollo, p. 15.]

Petitioners also deny having knowledge of the abnormal increase in the consideration of the sale from P6,000.00 to P40,000.00. They claim that contrary to the findings of the Court of Appeals, the transfer certificate of title which their lawyer examined contained no annotation of the P6,000.00 purchase price. The fact, however, that petitioners have been the tenants/lessees of the land even during Sixto Dumolong's lifetime belies any alleged lack of knowledge. Having been the cultivators of the land, it is unimaginable that the petitioners would have been

unaware of the transactions affecting the land. It appears that petitioners were aware that the private respondent was the legal wife of Sixto Dumolong and was a rightful heir to the properties of the latter. In fact, the trial court conclusively found that the petitioners themselves went to see the private respondent sometime in 1980 to secure her signature and conformity to the Extra-Judicial Adjudication and Sale of Real Property.

Thus, even without the circumstances enumerated by the Court of Appeals to demonstrate the petitioners' lack of good faith, the fact alone that they purchased the property with full knowledge of the flaws and defect in the title of their vendors is enough proof of their bad faith. In the case of *Gatioan v. Gaffud* [G.R. No. L-21953, March 28, 1979, 27 SCRA 706] this Court held that one who purchases real property with knowledge of a defect in the title of his vendor cannot claim that he acquired title thereto in good faith as against the owner or of an interest therein.

The petitioners claim that they were not aware of any defect in the title of their vendors because the certificate of title in the name of their predecessors-in-interest which their lawyer examined contained nothing to put them on guard. The fact however remains that the petitioners knew and were parties to the fraud committed against the private respondent. Having bought the land registered under the Torrens system from their vendors who procured title thereto by means of fraud, petitioners cannot invoke the indefeasibility of a certificate of title against the private respondent to the extent of her interest therein. The Torrens system of land registration should not be used as a means to perpetrate fraud against the rightful owner of real property. Registration, to be effective, must be made in good faith. [*Palanca v. Director of Lands*, 43 Phil. 149 (1922).] Thus, it is a settled rule that the defense of indefeasibility of a certificate of title does not extend to a transferee who takes it with notice of the flaws in his transferor's title. If at all, the petitioners only acquire the right which their vendors then had. [*Ramos, et al. v. Dueno, et al.*, 50 Phil. 786 (1927).]

WHEREFORE, finding no reversible error in the appealed decision, the Court Resolved to DENY the petition for review for lack of merit and AFFIRM the Court of Appeals Decision dated April 1, 1986.

SO ORDERED.

Fernan, C.J., Gutierrez, Jr., Feliciano, and Bidin, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.