



Republic of the Philippines
 Supreme Court
 Manila

FIRST DIVISION

SUPREME COURT OF THE PHILIPPINES
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ZENAIDA D. ROA,

Petitioner,

G.R. No. 221586

Members:

GESMUNDO, C.J., *Chairperson,*
 CAGUIOA,
 LAZARO-JAVIER,
 LOPEZ, M.,
 LOPEZ, J., *JJ.*

- versus -

**SPS. ROBINSON K. AND
 MARY VALERIE S. SY, MARIE
 ANTOINETTE R. FRANCISCO,
 AND THE REGISTER OF
 DEEDS OF MAKATI CITY,**

Respondents.

Promulgated:

SEP 14 2021

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DECISION

LAZARO-JAVIER, J.:

The Case

This Petition for Review on Certiorari seeks to reverse and set aside the following dispositions of the Court of Appeals in CA G.R. SP No. 135555:

- 1) Decision¹ dated May 21, 2015 which reversed the trial court's order denying respondents' motion to dismiss the complaint below for cancellation of deeds of sale, annulment of title, and reconveyance with damages; and

¹ Penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Remedios A. Salazar-Fernando and Ramon A. Cruz; *rollo*, pp. 87-100.

- 2) Resolution² dated November 25, 2015 which denied petitioner's motion for reconsideration.

Antecedents

On March 19, 2013, petitioner (Zenaida D. Roa) filed the aforesaid complaint against respondents Marie Antoinette R. Francisco (Francisco), Spouses Robinson K., and Mary Valerie S. Sy (Spouses Sy), and Register of Deeds of Makati City (RD Makati). The case was raffled to the Regional Trial Court (RTC) - Branch 66, Makati City.³

Petitioner averred that, as evidenced by Transfer Certificate of Title (TCT) No. 133936, she and her sister Amelia Roa (Amelia) are the legitimate owners of a property located at 73 Amorsolo Street, San Lorenzo Village, Makati City. On August 5, 2012, she learned from a relative that their title had been cancelled by the RD Makati, and by virtue of a deed of sale, a new TCT No. 006-2012000849 was issued in the name of Francisco. The deed of sale was purportedly executed between her and her sister Amelia, on the one hand, and their niece Francisco, on the other.⁴

It was impossible for her to have signed the deed of sale since she was in Washington D.C. at the time it was purportedly executed on July 6, 2012 and notarized on July 10, 2012. She left the Philippines on March 20, 2012 and returned only on August 24, 2012, as evidenced by her arrival and departure record issued by the Bureau of Immigration. On the other hand, her sister Amelia could not have signed the same on her own volition since she had been suffering from Alzheimer's disease for the last ten (10) years already prior to the supposed date of the sale.⁵

Francisco subsequently sold the property to Spouses Sy for ₱35,000,000.00 under Deed of Sale dated July 20, 2012. Consequently, a new TCT No. 006-2012000889 was further issued in the name of Spouses Sy.⁶

Francisco was able to secure a title in her name only on July 16, 2012, while the sale of the same property to Spouses Sy was supposedly done on July 20, 2012. At the time Francisco and Spouses Sy started negotiating on the sale, the latter already knew of the existence of her title considering the close proximity between the date the sale to Spouses Sy took place and the date Francisco secured a certificate of title in her name. During respondents' initial negotiation, petitioner and Amelia were still the registered owners of the property. This should have alerted Spouses Sy on the legality of

² *Id.* at 102-107.

³ *Id.* at 88-89.

⁴ *Id.*

⁵ *Id.* at 89 and 112.

⁶ *Id.* at 89.

Francisco's claimed title. As part of their due diligence, they should have made further inquiries on the identity of the legitimate owner of the property. More, the fact that the only handwritten entry in the Deed of Sale dated July 20, 2012, was the property's title number should have made Spouses Sy suspicious of Francisco's title. Spouses Sy, therefore, are not buyers in good faith, hence, the sale of the property in their favor is void.⁷ Accordingly, they ought to return the property to its legitimate owners (she and Amelia).

Instead of filing an answer, Spouses Sy filed a motion to dismiss on the ground of failure to state a cause of action. The complaint allegedly rested on conjectures and contained no specific averments of bad faith on their part.⁸ Spouses Sy further claimed that they acted in good faith when they relied on Francisco's title and noted no suspicious circumstances attending the sale transaction.

The Ruling of the Regional Trial Court

By Order⁹ dated August 7, 2013, the trial court denied Spouses Sy's motion to dismiss for lack of merit. It noted that the complaint stated that petitioners were the registered owners of the property. Francisco fraudulently registered the property in her name by presenting a spurious and forged deed of sale. Ultimately, Spouses Sy purchased the property from Francisco despite her fraudulent title.¹⁰

Spouses Sy's motion for reconsideration was denied under Order¹¹ dated March 26, 2014. Thereafter, they filed a "Motion for Bill of Particulars" dated April 14, 2014 and later an "Amended Motion for Bill of Particulars" dated April 15, 2014. They required herein petitioner to answer the following questions:¹²

3.1 Does plaintiff Zenaida D. Roa deny that it was Marie Antoinette Roa Francisco, Marie Celine Roa Francisco and/or Amelia Roa who had actual and physical possession of the house and lot located at 73 Amorsolo Street, San Lorenzo Village, Makati City (the "Property") on 20 July 2012?

3.2 Does plaintiff Zenaida D. Roa deny that she did not have actual and physical possession of the property on 20 July 2012?

3.3 Does plaintiff Zenaida D. Roa deny that it was her niece Marie Antoinette Roa Francisco who was in actual and physical possession of the original owner's duplicate title to the Property currently covered by TCT No. 006-201200889 on 20 July 2012?

⁷ *Id.*

⁸ *Id.* at 91.

⁹ Penned by Presiding Judge Joselito C. Villarosa; *rollo*, pp. 229-233.

¹⁰ *Id.* at 232.

¹¹ *Id.* at 524.

¹² *Id.* at 259-563.

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3.4 Does plaintiff Zenaida D. Roa deny that she did not have actual and physical possession of the original owner's duplicate title to the property currently covered by TCT No. 006-201200889 on 20 July 2012?

3.5 Is plaintiff Zenaida D. Roa a US Citizen?

3.5 (sic) Does plaintiff Zenaida D. Roa deny that she did not take any action before the Register of Deeds for the protection of the public on or after December 2011, when "she came across an Earnest Money Agreement purportedly executed by Antoinette Francisco in favor of a certain Zoilo De La Cruz, the subject matter of which is the sale of the Amorsolo property covered by TCT No. 133936, xxx" [?]

3.6 Did plaintiff Zenaida D. Roa file any action to cancel or to void the Earnest Money Agreement between Marie Antoinette R. Francisco and Zoilo De La Cruz?

3.7 Does plaintiff Zenaida D. Roa deny that she never caused the title covering the property to be annotated with a "lis pendens annotation" at the Register of Deeds when according to par. 12 of her Complaint, she filed on 4 June 2012, a Petition to Surrender Withheld Owner's Duplicate or To Cancel Owner's Duplicate Copy of Title and Issuance of New Owner's Duplicate Copy of Title under Section 107 of P.D. 1529 against Antoinette, which had been docketed as LRC Case No. M-5668 before Branch 134 of the Regional Trial Court of Makati City?

3.8 Does plaintiff Zenaida D. Roa deny that the case she filed, namely the Petition to Surrender Withheld Owner's Duplicate or To Cancel Owner's Duplicate Copy of Title and Issuance of New Owner's Duplicate Copy of Title under Section 107 of P.D. 1529 against Marie Antoinette Francisco, which had been docketed as LRC Case No. M-5668 x x x was dismissed?

3.9. Does plaintiff Zenaida D. Roa deny that she did not annotate her alleged claim x x x on the title covering the Property that would alert or put a prospective purchaser on notice?

The trial court granted the motion under Order¹³ dated September 16, 2014, and ordered petitioner to submit her bill of particulars. Petitioner promptly complied.¹⁴

Meantime, on Spouses Sy's motion, the presiding judge of Branch 66 inhibited from the case. Thereafter, the case got re-raffled to Branch 148.¹⁵

While the proceedings below were ongoing, Spouses Sy also pursued a petition for *certiorari* under CA G.R. SP No. 135555, assailing the earlier denial of their motion to dismiss.

¹³ *Id.* at 564.

¹⁴ *Id.* at 37.

¹⁵ *Id.* at 38.

The Proceedings Before the Court of Appeals

In CA G.R. SP No. 135555, Spouses Sy faulted the trial court with grave abuse of discretion for denying their motion to dismiss notwithstanding that the complaint purportedly failed to state a cause of action against them. The complaint was supposedly based on mere conclusions or opinions and not on ultimate facts, hence, it failed to pass the test of sufficiency of cause of action.¹⁶ Spouses Sy, too, asserted they are buyers in good faith.

The Ruling of the Court of Appeals

In its assailed Decision¹⁷ dated May 21, 2015, the Court of Appeals reversed.¹⁸ It ruled that petitioner failed to particularly allege when Spouses Sy started to negotiate with Francisco for the purchase of the property. This is allegedly an ultimate fact necessary to determine whether Spouses Sy exercised due diligence in ascertaining the genuineness of Francisco's title. The lack of this particular averment supposedly calls for the dismissal of the complaint on the ground of lack of cause of action against Spouses Sy.¹⁹ Further, Spouses Sy were supposedly not obliged to look beyond the face of Francisco's title which contained no annotation of any adverse claim. They had no notice of any defect in her title, hence, they are essentially buyers in good faith.

Petitioner's motion for reconsideration was denied under Resolution²⁰ dated November 25, 2015.

The Present Petition

Petitioner now seeks affirmative relief from the Court *via* Rule 45 of the Rules of Court. She maintains that her complaint sufficiently states a cause of action against Spouses Sy. Any defect or uncertainty in her complaint had already been cured by the bill of particulars she subsequently filed.²¹ Even assuming her complaint was deficient, the Court of Appeals, instead of ordering its dismissal, should have required her to file an amended complaint.²²

On the other hand, Spouses Sy reiterate that the complaint fails to sufficiently allege a cause of action against them. It contains no particular allegation of any wrongful or illegal act on their part that violated petitioner's

¹⁶ *Id.* at 94.

¹⁷ Penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Remedios A. Salazar-Fernando and Ramon A. Cruz, *id.* at 87-100.

¹⁸ *Id.* at 99.

¹⁹ *Id.* at 97-98.

²⁰ *Id.* at 102-107.

²¹ *Id.* at 73-74.

²² *Id.* at 79.

right. Cause of action is to be determined from the allegations of the complaint. Thus, the deficiency cannot be cured by their subsequent filing of a bill of particulars. Lastly, they claim anew that they are buyers in good faith.²³

Issue

Did the Court of Appeals commit reversible error when it dismissed the complaint against Spouses Sy on the ground that petitioner has no cause of action against them, albeit what the latter actually pleaded was another ground, that is, failure to state a cause of action?

Our Ruling

The Court of Appeals erred in dismissing the complaint on the ground of lack of cause of action

To begin with, Spouses Sy sought the dismissal of the complaint on the ground of failure to state a cause of action against them. Hence, it is a reversible error for the Court of Appeals to have *motu proprio* taken cognizance of an entirely different ground, *i.e.*, lack of cause of action, to justify the dismissal of the complaint.

In *Colmenar v. Colmenar et al.*,²⁴ petitioner Frank Colmenar filed a complaint for declaration of nullity of deeds of extrajudicial settlement of estate, deeds of sale, cancellation of titles, and damages against Property Company of Friends (ProFriends) and other defendants. ProFriends invoked as affirmative defense petitioner's alleged lack of cause of action against it, while the other defendants invoked the complaint's failure to state a cause of action against them. The trial court eventually dismissed the complaint against all the defendants on the ground of failure to state a cause of action, even as against ProFriends. The Court held that the trial court erred in dismissing the complaint against ProFriends on a ground entirely different from that which it actually raised in its motion to dismiss.

While the courts may not *motu proprio* dismiss a complaint based on a ground or grounds not pleaded by a party in a motion to dismiss or in the answer with affirmative defenses, the same may be done under the following instances, *viz.*: (1) the court has no jurisdiction over the subject matter; (2) there is another case pending between the same parties for the same cause; (3) where the action is barred by *res judicata*; or (4) where the action is barred by

²³ *Id.* at 731-732.

²⁴ G.R. No. 252467, June 21, 2021.

prescription.²⁵ Failure to state a cause of action and lack of cause of action are not included in the enumeration. Hence, what is excluded is not deemed included.

In any event, it has been repeatedly held that failure to state a cause of action and lack of cause of action *are distinct and separate grounds to dismiss a particular action*. *Apostolic Vicar of Tabuk, Inc. v. Spouses Sison*,²⁶ explained that failure to state a cause of action refers to the insufficiency of the allegations in the pleading, while lack of cause of action refers to the insufficiency of the factual basis for the action. Dismissal for failure to state a cause of action may be raised at the earliest stages of the proceedings through a motion to dismiss under Rule 16 of the 1997 Rules of Court²⁷ or raised as an affirmative defense in an answer, while dismissal for lack of cause of action may be raised any time *after* the questions of fact have been resolved on the basis of stipulations, admissions or evidence presented by the plaintiff. *Asia Brewery, Inc. v. Equitable PCI Bank*,²⁸ further ordained:

Failure to state a cause of action is not the same as lack of cause of action; the terms are not interchangeable. It may be observed that lack of cause of action is not among the grounds that may be raised in a motion to dismiss under Rule 16 of the Rules of Court. The dismissal of a Complaint for lack of cause of action is based on Section 1 of Rule 33, which provides:

Section 1. Demurrer to evidence. - After the plaintiff has completed the presentation of his evidence, the defendant may move for dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief. If his motion is denied he shall have the right to present evidence. If the motion is granted but on appeal the order of dismissal is reversed, he shall be deemed to have waived the right to present evidence.

²⁵ Rule 9 of the Rules of Court
Rule 9 – Effect of Failure to Plead

Section 1. *Defenses and objections not pleaded*. – Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, when it appears from the pleadings or the evidence on record that the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or that the action is barred by a prior judgment or by statute of limitations, the court shall dismiss the claim. (2a)

²⁶ 779 Phil. 462, 469 (2016).

²⁷ Rule 16 – Motion to Dismiss

Section 1. *Grounds*. — Within the time for but before filing the answer to the complaint or pleading asserting a claim, a motion to dismiss may be made on any of the following grounds:

x x x x

(g) That the pleading asserting the claim states no cause of action;

x x x x

²⁸ 809 Phil. 289-310 (2017).

If the Complaint *fails to state* a cause of action, a motion to dismiss must be made before a responsive pleading is filed; and the issue can be resolved only on the basis of the allegations in the initiatory pleading. On the other hand, if the Complaint *lacks* a cause of action, the motion to dismiss must be filed after the plaintiff has rested its case.

In the first situation, the veracity of the allegations is immaterial; however, in the second situation, the judge must determine the veracity of the allegations based on the evidence presented.

x x x x

Hence, in order to resolve whether the Complaint *lacked* a cause of action, respondent must have presented evidence to dispute the presumption that the signatories validly and intentionally delivered the instrument.

x x x x

The test to determine whether a complaint states a cause of action against the defendants is this: admitting hypothetically the truth of the allegations of fact made in the complaint, may a judge validly grant the relief demanded in the complaint? (Emphasis supplied)²⁹

x x x x

To emphasize, lack of cause of action may only be raised *after* the questions of fact have been resolved on the basis of stipulations or admissions or evidence presented by the plaintiff. Before then, it cannot be raised as a ground for dismissal; much less, can the court dismiss the case on that ground.

The filing of the motion for a bill of particulars, which in truth is a request for written interrogatories negates the claim of Spouses Sy that the complaint states no cause of action against them

A cause of action is defined as an act or omission by which a party violates a right of another.³⁰ A complaint states a cause of action if it sufficiently avers the existence of the three (3) essential elements of a cause of action, namely: (a) a right in favor of the plaintiff by whatever means and under whatever law it arises or is created; (b) an obligation on the part of the named defendant to respect or not to violate such right; and (c) an act or omission on the part of the named defendant violative of the right of the plaintiff or constituting a breach of the obligation of defendant to the plaintiff for which the latter may maintain an action for recovery of damages.

²⁹ *Id.* at 297-299.

³⁰ *Spouses Chu v. Benelda Estate Development Corporation*, 405 Phil, 936, 946 (2001).

11

If, however, the complaint contains ambiguity, indefiniteness, or uncertainty, a party may move for a more definite statement or for a bill of particulars of any matter which is not averred with sufficient definiteness or particularity to enable him or her to properly prepare his or her responsive pleading or to prepare for trial.³¹

It is not the office of a bill of particulars to supply material allegations necessary to the validity of a pleading, or to change a cause of action or defense stated in the pleading, or to state a cause of action or defense other than the one stated. Also, it is not the office or function of a bill of particulars to set forth the pleader's theory of his cause of action or a rule of evidence on which he intends to rely or to furnish evidential information whether such information consists of evidence which the pleader proposes to introduce or of facts which constitute a defense.³²

This means that when parties seek a bill of particulars, they in effect admit that the complaint bears the ultimate facts comprising a valid cause of action. What they ask for though is simply a specification of these ultimate facts to enable them to properly prepare their responsive pleading or to prepare for trial.³³ Consequently, any challenge against the complaint based on its supposed failure to state a cause of action is no longer feasible after the parties have sought a bill of particulars. So must it be.

We now go to requests for written interrogatories. Under Section 1, Rule 25 of the Rules of Court,³⁴ a request for written interrogatories is a mode of discovery by which a party serves on the other party written interrogatories to be answered by the party served. It seeks to elicit material and relevant facts from the adverse party.

Generally, modes of discovery enable parties to unmask their respective pieces of evidence to facilitate trial on the merits. Parties are required to lay their cards on the table so that justice can be rendered expeditiously.³⁵ A party defendant will not be inclined to reveal evidentiary matters unless he or she

³¹ See *Virata v. Sandiganyan*, 293 Phil. 55, 65 (1993).

³² *Id.* at 68.

³³ Rules of Court, 1997 Rules of Civil Procedure.
Rule 12 – Bill of Particulars

Section 1. *When applied for, purpose.* — Before responding to a pleading, a party may move for a definite statement or for a bill of particulars of any matter which is not averred with sufficient definiteness or particularity to enable him properly to prepare his responsive pleading. If the pleading is a reply, the motion must be filed within ten (10) days from service thereof. Such motion shall point out the defects complained of, the paragraphs wherein they are contained, and the details desired.

³⁴ Rules of Court, 1997 Rules of Civil Procedure.

Rule 25 – *Interrogatories to Parties*

Section 1. *Interrogatories to Parties; service thereof.* — Under the same conditions specified in Section 1 of Rule 23, any party desiring to elicit material and relevant facts from any adverse parties shall file and serve upon the latter written interrogatories to be answered by the party served or, if the party served is a public or private corporation or a partnership or association, by any officer thereof competent to testify in its behalf. (1a)

³⁵ See *Koh v. IAC*, 228 Phil. 258, 263 (1986).

8

recognizes the existence of the adverse party's cause of action and anticipates the case to proceed with trial.³⁶

It goes without saying, therefore, that when parties avail of any mode of discovery under the Rules, in this case, a request for written interrogatories (albeit erroneously referred to by Spouses Sy here as a bill of particulars), they are deemed to have recognized the existence and sufficiency of the allegations of the adverse party's cause of action in the complaint. They no longer put in issue the sufficiency of the allegations of the adverse party's cause of action. Rather, they ask that evidentiary matters be unveiled so that better preparation for the subsequent trial on the merits of the case may be had.³⁷

Here, Spouses Sy filed their so-called motion for bill of particulars which in reality is a request for written interrogatories. For the questions they posed were not meant to clarify the averments or statements found in petitioner's complaint, much less, inquire into the existence and sufficiency of petitioner's cause of action. In truth, their questions sought to discover evidentiary matters relating to their defense that they are buyers in good faith and that petitioner failed to exercise reasonable diligence in protecting her title to the property. For context, we quote anew these questions, *viz.*:

3.2 Does plaintiff Zenaida D. Roa deny that she did not have actual and physical possession of the property on 20 July 2012?

Response: Although Zenaida was not in the subject property on that date, she had constructive possession of the property as a registered owner thereof. It was incumbent upon any supposed into the provenance of Antoinette's title to the Property especially where Antoinette sold the Property to the Sps. (sic) Sy on the same date that the title was released by the Register of Deeds on July 20, 2012.

x x x x

3.8 Does plaintiff Zenaida D. Roa deny that the case she filed, namely the Petition to Surrender Withheld Owner's Duplicate or To Cancel Owner's Duplicate Copy of Title and Issuance of New Owner's Duplicate Copy of Title under Section 107 of P.D. 1529 against Marie Antoinette Francisco, which had been docketed as LRC Case No. M-5668 x x x was dismissed?

Response: LRC Case No, M-5668 was dismissed on August 31, 2012. It became moot since Antoinette fraudulently transferred the title to the Property to her name on July 6, 2012 by forging the signatures of Amelia and Zenaida and later sold it to Sps. Sy on July 20, 2012 under circumstances indicating Sps. Sy were buyers-in-bad-faith – *i.e.*,

³⁶ See *Dulay v. Dulay*, 511 Phil. 297, 304-305 (2005); see also *Security Bank Corporation v. CA*, 380 Phil. 299, 309 (2000); see also *Koh v. IAC*, 228 Phil. 258, 262 (1986).

³⁷ See *Republic v. Sandiganbayan*, 281 Phil. 234-265 (1991).

11

- a.) All the terms and conditions of the Deed of Sale dated July 20, 2012 were computer-printed while the title number (sic) of the title (TCT No. 006-2012000849) in the "whereas" clause was handwritten. This shows that at the time the Sps. Sy showed interest in and negotiated for the sale of the subject property, the title to the property was still under the names of Zenaida and Amelia Roa. Sps. Sy must have known that Marie Antoinette was not yet the registered owner of the property. Otherwise, if at the time Sps. Sy negotiated for the sale and actually executed the Deed of Sale, the property was also registered in the name Antoinette Roa Francisco under TCT No. 006-2012000849, then there is no reason why the title number would also have been entered in the Deed of Sale and computer-printed, and not (sic) handwritten.
- b.) TCT No. 006-2012000849 in the name of Marie Antoinette Francisco was released only on July 20, 2012, and yet, the Deed of Sale from Antoinette to Sps. Sy was executed and notarized on the same day – July 20, 2012. This shows that at the time Sps. Sy showed interest and negotiated for the sale of the subject property, Sps. Sy must have known that the property was still registered in the names of Zenaida D. Roa and Amelia D. Roa; that this should have alerted Sps. Sy to investigate the real owners of the property and the validity of the Deed of Absolute Sale from Zenaida and Amelia Roa to Antoinette; that it is common knowledge and practice before a sale of highly-priced properties such as this one involving P35,000,000, (sic) negotiations and due investigation would have been done by the buyer and human experience dictates that this could not have been done on the same day as the title of the property of interest was released. This also explains why the title in the Deed of Sale was "handwritten" instead of being computer-printed. This shows that at the time of the negotiation for the sale and drafting of the Deed of Absolute Sale, the title was still under the names of Zenaida and Amelia Roa and the subsequent title number had to be hand-written in the Deed of Absolute Sale when the title was released on July 20, 2012.
- c.) The Sps. Sy or their agents, also required that Ma. Celine F. Abiera sign and indicate her conformity to the Deed of Sale. However, there was no need for Celine to conform to the Deed of Absolute Sale since she had no apparent or registered interest in the Property. Celine, a businesswoman, would not have assented to the sale if there was nothing amiss in the transaction which Sps. Sy sought to cover. Her conformity to the sale highlights the bad faith of the Sps. Sy.

3.9. Does plaintiff Zenaida D. Roa deny that she did not annotate her alleged claim on the Property on the title covering the Property that would alert or put a prospective purchaser on notice?

Response: Zenaida need not annotate her claim on the property since she is a registered co-owner of the property. More importantly, a purchaser, like defendant Sps. Sy, cannot close their eyes to important facts above-described which would have created suspicion on the validity and integrity of the sale of the property and transfer of the title from Amelia and Zenaida to Antoinette and should have investigated the circumstances of the transfer.³⁸

As stated, these questions or the answers sought already delve on matters of evidence which by law and jurisprudence would generally establish the good faith of a buyer in purchasing a property.³⁹ Thus, by seeking answers to these interrogatories, Spouses Sy effectively acknowledged the existence and sufficiency of the allegations in the complaint pertaining to petitioners' cause of action against them. The filing of the request for written interrogatories, therefore, is a supervening event which bars Spouses Sy from pursuing their theory of failure to state a cause of action in CA G.R. SP No. 135555.

The complaint states a cause of action against Spouses Sy

At any rate, the complaint contains sufficient allegations to support a cause of action against Spouses Sy, thus:

21. The Deed of Absolute Sale [d]ated July 20, 2012 executed by Antoinette in favor of Sps. Sy should also be declared null and void, and TCT No. 006-211200889 should also be cancelled and declared without force and effect, considering that the Sps. Sy are buyers-in-bad faith. A close examination of this Deed of Absolute Sale will show that all the terms and conditions were computer-printed EXCEPT for the title number and appearing in the first "whereas clause" in page one thereof. The title number is handwritten. This fact would lead to an indisputable conclusion that at the time the Sps. Sy showed interest and negotiated for the sale of the subject property, the title of the property is still under the names of Zenaida and Amelia Roa. Sps. Sy must have known that Marie Antoinette was not yet the registered owner of the property. Otherwise, if at the time Sps. Sy negotiated for the sale and actually executed the Deed of Sale, the property was already registered in the name Marie Antoinette Roa Francisco under TCT No. 006-2012000849, then there is no reason why the title number would also have been entered in the Deed of Sale and computer-printed, and not (sic) handwritten.

22. Also, the proximity of the date (July 20, 2012) of the Deed of Sale from Antoinette to Sps. Sy with the date (July 16, 2012) of the release and issuance of TCT No. 006-20122000849 to Antoinette, will lead to the reasonable conclusion that at the time Sps. Sy showed interest and negotiated for the sale of the subject property, Sps. Sy must have known that the property is still registered in the names of Zenaida D. Roa and Amelia D. Roa. This should

³⁸ *Rollo*, pp. 296-301.

³⁹ See *Spouses Arenas v. Court of Appeals*, 399 Phil. 372, 386 (2000).

have alerted Sps. Sy to investigate the real owners of the property and the validity of the Deed of Absolute Sale from Zenaida and Amelia to Antoinette. It is common knowledge and practice before a sale of highly priced properties such as this one, negotiations and due investigation would have been done by the buyer and human experience dictates that this could not be done simply in a matter of six days.

23. Even Atty. Tomas F. Dulay, Jr., the notary public who purportedly notarized the Deed of Sale of Antoinette and Sps. Sy, has denied he notarized the same. Not being a public document, the Deed of Sale could not have transmitted any right to the Sps. Sy and it should have never been registered with the Register of Deeds. A copy of the Affidavit of Atty. Dulay is attached hereto as Annex "R".

24. The fraudulent Deeds of Sale could not have vested any right in favor of Antoinette and Sps. Sy over the subject property, including the transfer of its registration in their names, to the prejudice of Zenaida and her co-owner Amelia. Antoinette and Sps. Sy illegally transferred the property in their names and have the obligation to return it to the true owners, Zenaida and Amelia.⁴⁰

x x x x

In fine, petitioner essentially claims that: (a) she and Amelia are the legitimate owners of the subject property; (b) Francisco acquired title to the property through fraud by forging a deed of sale making it appear that she and Amelia sold the property to her; (c) Francisco's title was issued only on July 16, 2012, and the sale in favor of Spouses Sy was dated July 20, 2012, just days apart; (d) Spouses Sy were aware that at the time they negotiated with Francisco for the sale of the property, the latter was not yet the registered owner of the property as evidenced by the mere handwritten annotation in the title; and (e) Spouses Sy are buyers in bad faith because despite the apparent irregularity in the manner by which Francisco obtained title to the property, they turned a blind eye and did not further investigate on the legality of the seller Francisco's title and her authority to sell the property.


Here, assuming the foregoing allegations to be true, petitioner and her sister Amelia, as registered owners of the property, have the right to the relief prayed for, *i.e.*, to declare as void the Deed of Sale of the property in favor of Spouses Sy who are buyers in bad faith.

⁴⁰ *Id.* at 89-90.



ACCORDINGLY, the petition is **GRANTED**. The Decision dated May 21, 2015 and Resolution dated November 25, 2015 of the Court of Appeals in CA-G.R. SP No. 135555 are **REVERSED** and **SET ASIDE**. The Order dated August 7, 2013 of the Regional Trial Court-Branch 66, Makati City in Civil Case No. 13-301 is **REINSTATED**. The case is **REMANDED** to the Regional Trial Court Branch 148, Makati City for further proceedings.

SO ORDERED.

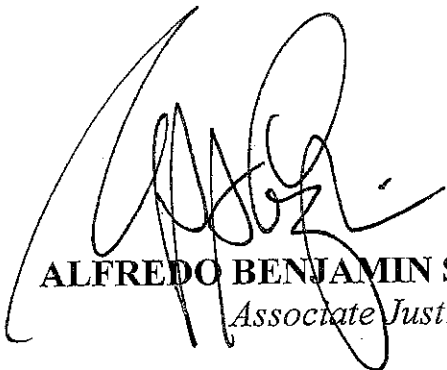


AMY C. LAZARO-JAVIER
Associate Justice

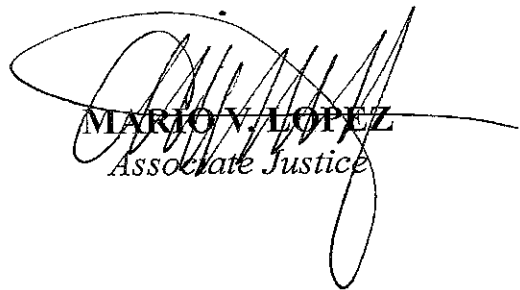
WE CONCUR:



ALEXANDER G. GESMUNDO
Chief Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



MARIO V. LOPEZ
Associate Justice



JHOSEP V. LOPEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice

