



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

RUFINO B. REQUINA, SR.,⁺ G.R. No. 221049
duly substituted by ERLINDA
K. REQUINA and ALLAN
EREÑO, duly represented by
LENY EREÑO, as Attorney-in-
Fact,

Petitioners,

-versus-

Members:
LEONEN, S.A.J., Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,
DIMAAMPAO,^{*} and
KHO, JR., JJ.

ELEUTERIA B. ERASMO,
Respondent.

Promulgated:

DEC 07 2022

X-----X

DECISION

LAZARO-JAVIER, J.:

The Case

This Petition for *Certiorari*¹ assails the following dispositions of the Court of Appeals in CA-G.R. CEB-CV No. 03337:

* Justice Jhosep Y. Lopez took no part due to prior action in the Court of Appeals. Justice Dimaampao designated as additional member per Raffle dated September 27, 2022.

¹ Under Rule 45 of the Rules of Court, *rollo*, pp. 3-44.

- 1) **Decision**² dated February 26, 2015, dismissing the Complaint dated September 6, 2001, for Declaration of Nullity of Deed of Sale, with Prayer for a Better Right of Possession and Ownership over the Portion of Real Property and Preliminary Injunction in Civil Case No. CEB-26877; and
- 2) **Resolution**³ dated September 23, 2015, denying petitioner's motion for reconsideration.

Antecedents

Gregorio Bagano (*Gregorio*) was the owner of Lot No. 1442-Q, a 1,979 square meter property located at Urgello Street, Barangay Sambag I, Cebu City. Upon Gregorio's death, one of his heirs Florentino Bagano (*Florentino*) received 390 square meters of the property. This was a residential lot located in the southern part of Urgello Street.⁴

Atty. Lawrence Parawan (*Atty. Parawan*) rented Florentino's lot and constructed a house over a 102 square meter portion thereof. Thereafter, Atty. Parawan sold the house to Dr. Enrique Hipolito, Sr. (*Dr. Hipolito*) who, in turn, sold it to petitioner Rufino B. Requina, Sr. (*Rufino*), and Aurea U. Ereño (*Aurea*), petitioner Allan Ereño's mother, under a **Deed of Sale dated October 30, 1993**.⁵

In 1994, Florentino died intestate. Thus, his sole heir Rosalita Bagano Nevado (*Rosalita*) subdivided Florentino's share and executed an **Affidavit of Adjudication with Sale dated March 15, 1994**⁶ (*Affidavit of Adjudication*) transferring the 102 square meter portion where the house was constructed in favor of petitioners, viz.:

REPUBLIC OF THE PHILIPPINES)
IN THE CITY OF CEBU) S.S.

AFFIDAVIT OF ADJUDICATION BY SOLE HEIR OF ESTATE
OF DECEASED PERSON WITH SALE OVER A PORTION THEREOF

I, ROSALITA BAGANO NEVADO, of legal age, [F]ilipino, married, with postal address at 395-A Sanciango St., Cebu City, Philippines, after having been duly sworn to an oath in accordance with law, do hereby depose and says: (sic)

² *Rollo* pp. 46–56. Penned by Associate Justice Jhosep Y. Lopez (now member of this Court), concurred in by Executive Justice Gabriel T. Ingles and Associate Justice Marilyn B. Lagura-Yap.

³ *Id.* at 58–59.

⁴ *Id.* at 68.

⁵ RTC Records p. 187. Deed of Sale dated October 30, 1993.

⁶ *Rollo*, pp. 60–61, Affidavit of Adjudication by Sole Heir of the Estate of the Deceased Person with Sale over a Portion Thereof dated March 15, 1994.

1. That I am the only daughter and sole heir of the late Florentino Bagano, who died intestate in the City of Cebu, on February 25, 1994, as evidenced by a Death Certificate issued by the Local Civil Registrar, a copy of which, is hereto attached as integral ANNEX "A" and made part of this Affidavit;

2. That the said deceased left a[n] estate consisting of a parcel of residenti[a]ll land, measuring a total area of 395 sq. meters, which is situated at Urgello Private Road, Cebu City, and more particularly described and bounded as follows:

"The whole parcel which is made the subject-matter of this affidavit contains an area of 395 sq. meters, a one-fifth (1/5) share of the whole lot now designated as Lot No. 1442-Q of the Cebu City Cadastre, containing an area of 1,976 sq. meters, declared in the name of the Heirs of Gregorio Bagano, bounded on the North- remaining portion, now the share of Cristita Bagano; on the East- by the remaining portion, now share of Florentino Bagano; on the South- by Lot No. 1442-R TELESFORO BAGANO; and on the West- by Urgello Street"

3. That the deceased left no debts;

4. That the net value of said estate is more than P3,000.00, and is therefore not exempt from the estate and inheritance taxes, as per Bureau of Internal Revenue Clearance Certificate, which is hereto attached as integral ANNEX "B" and made part of this Affidavit;

5. That pursuant to Rule 74, Sec. 1 of the New Rules of Court, I do hereby adjudicate unto myself, the above-described portion of real estate by means of this Affidavit, and hereby files the same with the Register of Deeds of Cebu City, with the request that said adjudication be made effective without judicial proceedings as prescribed by the Rules aforementioned.

6. That for and in consideration of the sum of ONE HUNDRED THOUSAND PESOS (P100,000.00) Philippine Currency, to me in hand paid, and at the time of execution hereof, received in full satisfaction from RUFINO B. REQUINA and ALLAN EREÑO, both of legal age, [F]ilipino citizens and residents of Urgello Street, Cebu City, I do hereby convey title, ownership and lawful possession over that certain portion which is now being occupied by the residential house belonging to Aurea Ereño and Rufino B. Requina (formerly Dr. Enrique Hipolito, Sr.) measuring around 18.0 meters in leng[th] and 5.7 meters in width, and this instant conveyance is forever and irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my customary signature, this 15th day of March, 1994, at Cebu City, Philippines, in the presence of witnesses.

ROSALITA BAGANO NEVADO (SGD)
(Affiant Sole Heir-Vendor)

SIGNED IN THE PRESENCE OF:

1. JO ANN ROSELIA N. ROJO (SGD) 2. [NO NAME] (SGD)

SUBSCRIBED AND SWORN TO BEFORE ME, this 15th day of March, 1994, at Cebu City, Philippines, affiant exhibiting her Community Tax Cert. No. 19934715, issued at Cebu City on March 15, 1994, known to me to be the same person who executed the foregoing affidavit with sale over a portion of real estate, and she acknowledged to me that the same is her free act and voluntary deed.

WITNESS MY HAND AND NOTARIAL SEAL, on the day, year and place first above-written.

ATTY. TEODORO V. CABILAN (SGD)
NOTARY PUBLIC UNTIL 12-31-95
PTR # 3909302 CEBU CITY 1-4-94
IBP # 354690 CEBU CITY 1-4-94

Doc. No. 62;
Page No. 74;
Book No. I;
Series of 1994.⁷

Through Rufino's efforts, the Affidavit of Adjudication got published in Sun Star Daily on April 5, 1994, and registered with the Register of Deeds of Cebu City. Hence, Rufino was able to secure an Authority to Accept Payment from the Bureau of Internal Revenue.⁸

Also in 1994, petitioners started paying real property taxes on the property, albeit it was still registered in the name of Florentino. They, too, continued possession and ownership⁹ over the house and lot until 2001 when a fire razed their house along with other houses in the vicinity. The fire claimed the life of Aurea.¹⁰

After the fire, petitioners learned that respondent Eleuteria B. Erasmo (*Eleuteria*) presented a **Deed of Sale dated November 17, 1989**¹¹ to the Register of Deeds of Cebu City. Upon verification, however, Records Management and Archives Office of the National Commission for Culture and the Arts certified that the Deed of Sale dated November 17, 1989 "is not among the documents transferred by the Regional Trial Court for safekeeping."¹²

⁷ *Id.*

⁸ *Id.* at 69-70.

⁹ *Id.* at 68. Petitioner Rufino B. Requina, Sr. and his daughters lived in the upper portion of the house while Aurea U. Ereño and her son, petitioner Allan M. Ereño lived in the lower portion of the house.

¹⁰ *Id.* at 68-69.

¹¹ *Id.* at 125, Deed of Sale dated November 17, 1989.

¹² *Id.* at 70.

Accordingly, petitioners sued respondent for *Declaration of Nullity of Deed of Sale, with Prayer for a Better Right of Possession and Ownership over a Portion of Real Property, and Preliminary Injunction* before the Regional Trial Court, Cebu City via Civil Case No. CEB-26877. Subsequently, this case was raffled to Branch 9. They essentially claimed that respondent's Deed of Sale was void for being simulated or fictitious. Hence, they prayed that a writ of injunction be issued to restrain Eleuteria from insisting on the validity of her void document. Petitioners also sought payment of moral, exemplary, and punitive damages of not less than PHP 50,000.00 and attorney's fees of PHP 20,000.00.¹³

In her Answer, respondent denied all allegations against her. She claimed that in 1985, she purchased Lot No. 1442-Q-1 with an area of about 225 square meters from Spouses Florentino and Aurelia Bagano (*Aurelia*) on installment. At first, she allegedly acquired 50 square meters of the property for which Florentino executed a **Deed of Sale dated May 8, 1989**¹⁴ in her favor. Said deed acknowledged her payments to Florentino of PHP 15,700.00 on November 15, 1985, and PHP 4,300.00 on May 8, 1989, viz.:

DEED OF ABSOLUTE SALE OVER A PORTION OF
RESIDENTIAL LAND

KNOW ALL MEN BY THESE PRESENTS:

I, FLORENTINO BAGANO, of legal age, Filipino, married and a resident of Sanciangko St.[,] Cebu City, for and in consideration of TWENTY THOUSAND (P20,000.00) PESOS, Philippine Currency, to me in hand paid by ELEUTERIA B. ERASMO, Filipino, of legal age, and a resident of 5 Urgello Pvt. Road, Cebu City, receipt is hereby acknowledged to my entire satisfaction the sum of FIFTEEN THOUSAND SEVEN HUNDRED PESOS (P15,700.00) on November 15, 1985 and the sum of FOUR THOUSAND THREE HUNDRED (P4,300.00) PESOS on May 8, 1989, do hereby these presents SELL, CEDE, TRANSFER[,], and CONVEY by way of absolute and irrevocable SALE unto said ELEUTERIA B. ERASMO, her heirs, assigns, and [successors-in-interest] a portion of residential land Lot. No. 1442-Q representing my paraphernal property ONE FIFTH (1/5) SHARE of Lot No. 1442-Q containing an area of FIFTY (50) SQUARE METERS more particularly the lot where the house of Florentino Bagano/Enrique Hipolito is constructed along the main road of Urgello Pvt. Road, Cebu City.

That the mother lot 1442-Q is owned in common by Florentino, Cristita, Socorro, Virgilio[,], and Eriberta, all surnamed BAGANO and more particularly described as follows:

¹³ *Id.* at 62. Regional Trial Court, Cebu City, Branch 9, via Civil Case No. CEB-26877.

¹⁴ *Id.* at 126. Deed of Sale dated May 18, 1989.

Doc. No. 475
Page No. 96
Book No. 190
Series of 1989.¹⁵

About eight months later, respondent allegedly acquired an additional 195 square meters with the help of a certain Martin Gingoyon who paid for 150 square meters in her name. Spouses Bagano executed another Deed of Sale dated November 17, 1989¹⁶ in her favor in exchange for PHP 75,000.00. Gregorio's granddaughter Georgila M. Espenido (*Georgila*) as well as Florentino's sole heir Rosalita were present when Spouses Bagano affixed their signatures on the Deed of Sale dated November 17, 1989:

DEED OF ABSOLUTE SALE OVER A PORTION OF
RESIDENTIAL LAND

KNOW ALL MEN BY THESE PRESENTS:

WE, [S]pouses FLORENTINO BAGANO and AURELIA BAGANO, Filipinos, of legal [age], and residents of 395-A Sanciangko St., Cebu City, for and in consideration of the sum of SEVENTY FIVE THOUSAND (P75,000.00) PESOS, Philippine Currency, to us in hand paid by ELEUTERIA B. ERASMO, Filipino, of legal age, widow and a resident of 58 Urgello Pvt. Road, Cebu City, and receipt hereof is hereby acknowledged to our entire satisfaction, do hereby presents, SELL, CEDE, TRANSFER[,] and CONVEY by way of absolute and irrevocable SALE unto said ELEUTERIA B. ERASMO, her heirs, assigns[,] and [successors-in-interest] a portion of my 1/5 paraphernal share of Lot. No. 1442-Q as per partition of agreement (sic) dated 1989 containing an area of ONE HUNDRED NINETY FIVE (195) square meters: more or less, situated in Urgello Pvt. Road known as Lot No. 1442-Q(1) where the house of Enrique Hipolito is constructed, more particularly described as follows:

TAX DECLARATION NO. 02-06753
Office of the City Assessor, Cebu City

"A parcel of residential land lot No. 1442-Q situated at Sambag I, Cebu City, bounded on the North by Lot No. 1442-P on the South, by Lot No. 1442-0, on the East by Lot No. 493 and on the West by Lot No. 1442-0 containing an area of 1,976 square meters more or less with an assessed value of P88,920.00..."

That we hereby warrant unto said Vendee that we are the true and [lawful] owner and we have the right to sell and transfer ownership thereof; and that we shall defend it from any claims of third persons whatsoever.

That the present occupant of said portion of land have (sic) no contract of lease with the land owner except for Enrique Hipolito whose lease contract will expire on (sic) 1999.

¹⁵ *Id.*

¹⁶ *Id.* at 125.

That said property is free from [liens] and encumbrances whatsoever including taxes and the vendee has the right to take possession thereof.

IN WITNESS WHEREOF, we hereby affix our signature this 17th day of November 1989 at Cebu City, Philippines.

(SGD)	(SGD)	(SGD)
FLORENTINO BAGANO	AURELIA BAGANO	ELEUTERIA B. ERASMO
Vendor	Vendor	Vendee
R.C. # 4120551	R.C. # 9495354	R.C. # 15120
dated Aug. 8/89	dated 8/20/89	dated 1/3/90

SIGNED IN THE PRESENCE OF:

1. [Illegible] (SGD)
2. [No Name] (SGD)

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF CEBU) S.S.

BEFORE ME, a Notary Public, for and in the province and cities of Cebu, personally appeared FLORENTINO BAGANO and AURELIA BAGANO[,] and ELEUTERIA B. ERASMO, all known to me and to me known to be the same persons who executed the foregoing instrument and that they acknowledged to me that the same are their true, free, own and voluntary act and deed.

WITNESS MY HAND AND SEAL, this 31 day of Jan 31 1990 at Cebu City, (sic) Philippines.

ATTY. JESUS V. ROSAL (SGD)
Notary Public
Until Dec. 31, 1990
PTR No. 8453324
1-2-90 Cebu City
TAN: R2423-F-0124-A-1

Doc. No. 171
Page No. 36
Book No. 223
Series of 1990.¹⁷

Respondent was fully aware that Dr. Hipolito was leasing a house over the property she purchased. But the Deed of Sale dated November 17, 1989, stated that Dr. Hipolito's lease would expire in 1999. When the lease expired, she declared the lot as her own for tax purposes. In May 2001, she filed a complaint for ejectment against petitioners.¹⁸

¹⁷ *Id.*

¹⁸ *Id.* at 71.

By way of counterclaim, she also sought payment of PHP 500,000.00 as moral damages, PHP 200,000.00 as exemplary damages, PHP 50,000.00 as attorney's fees, plus PHP 1,000.00 for every hearing and PHP 5,000.00 as actual expenses of counsel in preparing for the case.¹⁹

Rulings of the Regional Trial Court

By Decision²⁰ dated June 17, 2009, the Regional Trial Court – Branch 9, Cebu City ruled in favor of petitioners, *viz.*:

WHEREFORE, by reason of preponderance, judgment is hereby rendered in favor of Plaintiffs and against Defendant. Along this line, this court declares that:

- a. The deeds of sale in favor [of] Defendant Erasmo conveying 245 square meters of the lot subject of this case is declared void;
- b. The Affidavit of Adjudication of Sole [H]eir executed by Rosalita Bagano Nevado is hereby declared valid and binding; [and]
- c. The plaintiffs are hereby declared the true co-owners in fee simple over the portion of residential land on the basis of the Adjudication By Sole Heir of the Estate of the Deceased Person with Sale over a Portion Thereof dated March 15, 1994.

Furnish copy of this decision to the parties and their respective counsels.

SO ORDERED.²¹

The trial court ruled that petitioners were able to sufficiently establish that the deeds of sale executed in favor of respondent were highly dubious, if not fictitious.

First. The execution of two deeds six months apart — Deed of Sale dated May 8, 1989 for 50 square meters, and another Deed of Sale dated November 17, 1989 for 195 square meters — was highly irregular. Respondent allegedly purchased the subject property by installment beginning 1985 but was not able to present proof of installment payments, how much was paid in every installment, and other pertinent details (though respondent presented handwritten acknowledgment receipts which the trial court did not appreciate). The trial court also noted that the earlier deed of sale was without the consent of Florentino's wife Aurelia.

¹⁹ Trial Records, pp. 35–39.

²⁰ *Rollo*, pp. 62–78. Penned by Regional Trial Court-Cebu City, Branch 9, Presiding Judge Geraldine Faith A. Econg.

²¹ *Id.* at 78.

Second. The deeds were supposedly executed in 1989, yet it took respondent 12 years to declare the property for tax purposes in 2001. Too, respondent never asserted her purported right as Florentino's supposed successor-in-interest. To be sure, she supposedly became Dr. Hipolito's new lessor upon acquiring the property but she never introduced herself to the latter. She never collected rent from Dr. Hipolito nor dealt with the subsequent occupants of the property.

Third. Petitioners presented a certification from Domingo N. Pascua, Chief, Regional Archival Division of the Records Management and Archives Office²² that they do not have a copy of the Deed of Sale dated November 17, 1989 supposedly notarized by Atty. Jesus V. Rosal (*Atty. Rosal*). Such discrepancy should have been explained by respondent but she never did.

Fourth. Considering that Florentino's niece Georgila was respondent's own witness, there was a great possibility that respondent learned of Florentino's death early on. Yet respondent did not cause the immediate registration of the two deeds of sale upon Florentino's death, nor assert ownership over the property.

Fifth. In the course of the proceedings, petitioners offered the testimony of Philippine National Police Crime Laboratory Document Expert Romeo Varona (*Varona*) who testified that the signature of Florentino on the Deed of Sale dated November 17, 1989 appears to have been forged. A comparison of Florentino's supposed signature thereon to other specimen signatures revealed significant differences in letter formation and other handwriting characteristics.

Sixth. Petitioners sufficiently established the registration and publication of the Affidavit of Adjudication with Sale dated March 15, 1994 in their favor. They, too, were able to prove possession of the land, first as a lessee of the property until it was sold to them by Florentino's sole heir Rosalita. Respondent never questioned petitioners' open and continuous possession of the property in the concept of an owner.

Finally. Even assuming that the deeds of sale in favor of respondent were valid, Article 1544 of the Civil Code²³ on double sale would apply. Thus,


²² *Id.* at 70.

²³ ART. 1544 of the Civil Code

If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith.



ownership vested on petitioners first since they registered Affidavit of Adjudication in good faith and gained possession of the property.

The Proceedings before the Court of Appeals

On appeal, respondent faulted the trial court for ruling in favor of petitioners despite her valid ownership of the subject property. She purchased said property for value and in good faith from Spouses Bagano on November 17, 1989 though she started paying installments thereon as early as 1985. She had also been religiously paying realty taxes of the property since 1980.²⁴

Rosalita's Affidavit of Adjudication with Sale dated March 15, 1994 was a fictitious document since Rosalita herself was a witness to the Deed of Sale dated November 17, 1989. Consequently, Rosalita had nothing to transfer because she knew that her parents already sold the subject property to her (respondent).

Petitioners, on the other hand, defended the decision of the trial court. They agreed with the finding that the execution of two deeds of sale in the same year was dubious. More, the Deed of Sale dated May 8, 1989 for 50 square meters bore the notarial details "Doc. No. 475, Page No. 96, Book No. 190, Series of 1989". The second Deed of Sale dated November 17, 1989 for 195 square meters was entered by the same notary, Atty. Rosal, under "Doc. No. 171, Page 36, Book No. 223, Series of 1990" on January 31, 1990. It was highly unlikely, however, that Atty. Rosal filled up 33 notarial books in just six months. Worse, a copy of the Deed of Sale dated November 17, 1989 was also not submitted to the Records Management and Archives Office. Finally, expert witness Varona testified that Florentino's signature in the Deed of Sale dated November 17, 1989 was a forgery.

In another vein, respondent did not exert effort to exercise her alleged ownership over the property nor did she cause the immediate registration of the supposed sales in her favor.

During the pendency of the proceedings, Erlinda K. Requina substituted petitioner Rufino as his wife and heir following his death.²⁵

²⁴ *Rollo*, p. 49.

²⁵ *Id.* at 46.

Dispositions of the Court of Appeals

By Decision²⁶ dated February 26, 2015, the Court of Appeals reversed.

For one, petitioners failed to establish forgery with clear, positive, and convincing evidence. The expert opinion of handwriting experts such as Varona is inconclusive. At any rate, the Court of Appeals made its own comparison of Florentino's supposed signatures in the Deed of Sale dated May 8, 1989, and Deed of Sale dated November 17, 1989, and found them identical. Florentino's signatures in these documents also matched those in the acknowledgment receipts he issued whenever respondent made installment payments.

Notably, too, Rosalita's signature in the Deed of Sale dated November 17, 1989 as an instrumental witness was identical to her signature in her Affidavit of Adjudication with Sale dated March 15, 1994.²⁷

As for the certification from the Records Management and Archives Office that there were no copies of the Deed of Sale dated November 17, 1989 in its custody, this did not affect the validity of the sale. For a notarized document carries the evidentiary weight conferred upon it with respect to its due execution; it has in its favor the presumption of regularity which may only be rebutted by evidence so clear, strong, and convincing.

For another, respondent had been paying taxes on the property, including arrears from 1980. It may not be proof of ownership but this is a usual burden attached to ownership. Coupled with the validity of the contracts of sale in her favor, respondent's payment of taxes confirmed her ownership of the subject property.

Nothing appears suspicious about executing two separate deeds of sale in the same year. It simply showed that the first sale made on May 8, 1989 was for 50 square meters of Lot No. 1442-Q-1 only, while the second sale on November 17, 1989 was for an additional 195 square meters for a total of 245 square meters.

Finally, Article 1544 on double sale is inapplicable here as it presupposes the same thing being sold to different vendees by one vendor. As it was, the lot was sold by different vendors. In any event, the provision does not apply to unregistered lands. Instead, Act No. 3344²⁸ should govern which

²⁶ *Id.* at 45-56.

²⁷ *Id.* at 60-61.

²⁸ ACT NO. 3344. AN ACT TO AMEND SECTION ONE HUNDRED AND NINETY-FOUR OF THE ADMINISTRATIVE CODE, AS AMENDED BY ACT NUMBERED TWO THOUSAND EIGHT HUNDRED AND THIRTY-SEVEN, CONCERNING THE RECORDING OF INSTRUMENTS RELATING TO LAND NOT REGISTERED UNDER ACT NUMBERED FOUR HUNDRED AND

states that the act of registration should be without prejudice to a third party with a better right.

The Court of Appeals denied petitioners' motion for reconsideration by Resolution dated September 23, 2015.²⁹

The Present Petition

Petitioners now invoke the Court's discretionary appellate jurisdiction *via* Rule 45 of the Rules of Court and pray that the dispositions of the Court of Appeals be reversed and set aside.

Petitioners essentially replicate the ruling of the trial court but add: the trial court's findings of forgery were duly established by evidence on record which respondent failed to refute. Indeed, a cursory examination and comparison of Florentino's signatures in the Deed of Sale dated November 17, 1989, and the Deed of Sale dated May 8, 1989, would show a wide difference in stroke; there was a clear effort to imitate the signature. The certification of the Records Management and Archives Office that it has no record of the Deed of Sale dated November 17, 1989 is corroborative of the findings of forgery as well.

At any rate, the notarization of respondent's deeds of sale only served as *prima facie* evidence that said contracts were entered into with regularity. As it was, however, the presumption was overturned by clear and convincing evidence to the contrary.

Finally, respondent's claim that she has been paying taxes since 1980 is inaccurate. Based on documents presented before the trial court, respondent only started paying said taxes on March 14, 2007. Too, the arrears she paid were only from 2004 up to 2007. From 1998 but before March 14, 2007, the declared owner of the subject property was still Florentino.

In her Comment,³⁰ respondent defends the decision of the Court of Appeals and merely shrugs off the allegations of petitioners, commenting that they were not in accordance with law and facts.

NINETY-SIX, ENTITLED "THE LAND REGISTRATION ACT", AND FIXING THE FEES TO BE COLLECTED BY THE REGISTER OF DEEDS FOR INSTRUMENTS RECORDED UNDER SAID ACT, Approved, December 8, 1926.

²⁹ *Rollo*, pp. 58-59.

³⁰ *Id.* at 153-155.



Core Issues

- 1) Did petitioners sufficiently establish that the Deed of Sale dated November 17, 1989 is a spurious document?
- 2) Is Article 1544 of the Civil Code on double sale applicable here?
- 3) Who between petitioners and respondent has a better right over the subject property?

Our Ruling

We grant the petition.

Preliminarily, the Court notes that one of the issues raised—whether the Deed of Sale dated November 17, 1989 was a spurious document, is ultimately a question of fact. But the Court is not a trier of facts. It is not the Court's function to analyze or weigh evidence all over again in view of the corollary legal precept that the factual findings of the Court of Appeals are conclusive and binding on this Court.³¹


The rule, however, admits exceptions.³² Among them, when the findings and conclusions of the Court of Appeals conflict with those of the trial court and when the judgment is based on a misappreciation of facts, as here. For as will be discussed, more circumspect consideration of the evidence on record would sustain the conclusion of the trial court.

At the outset, both parties did not assail the validity of Deed of Sale dated May 8, 1989 for 50 square meters. In fact, petitioner used this document and the signature of Florentino therein to establish that Deed of Sale dated November 17, 1989 for 195 square meters executed six months after is spurious as Florentino's signature here was materially different from the earlier deed of sale.

³¹ *Caampued v. Next Wave Maritime Management, Inc.*, G.R. No. 253756, May 12, 2021.

³² See *Pascual v. Burgos*, 776 Phil. 169, 182–183 (2016).

(1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact 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 respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.



For petitioner, their claim to the property is the Deed of Sale dated October 30, 1993³³ between Dr. Hipolito, and petitioner Rufino and Aurea (petitioner Allan Ereño's mother) over the house erected—subsequently razed to the ground by fire sometime in 2001 and rebuilt by petitioner—and Rosalita's Affidavit of Adjudication with Sale³⁴ dated March 15, 1994, transferring the 102 square meter portion where the house was constructed in favor of petitioners.

For respondent, her claim over the property is by virtue of the Deed of Sale dated May 8, 1989 for 50 square meters and Deed of Sale dated November 17, 1989 for 195 square meters, with both deeds stating that more or less, it is situated where the house of Hipolito was constructed.

There is, therefore, a case of overlapping claims over unregistered land, and hinges on the validity of the Deed of Sale dated November 17, 1989.

The Deed of Sale dated November 17, 1989 is a spurious document

(1) Notarization of the Deed of Sale dated November 17, 1989 was dubious.

The notarization of the Deed of Sale dated November 17, 1989 appears dubious, hence, the presumption accorded to public documents would not come into play.

Deeds of sale, having been acknowledged before notaries public, are public documents as defined under Section 19(b), Rule 132 of the Revised Rules of Court.³⁵ Thus, they carry the evidentiary weight conferred upon them with respect to due execution and have in their favor the presumption of regularity, in the absence of clear and convincing evidence to the contrary.³⁶

Such presumption, however, may only be affirmed so long as it is beyond dispute that the notarization was regular.³⁷ A defective notarization

³³ RTC Records, p. 187. Deed of Sale dated October 30, 1993 on p. 220, Regional Trial Court, Cebu City via Civil Case No. CEB-26877.

³⁴ *Rollo*, pp. 60–61, Affidavit of Adjudication by Sole Heir of the Estate of the Deceased Person with Sale over a Portion Thereof dated March 15, 1994.

³⁵ Rules of Court, Rule 132, Presentation of Evidence.

Section 19. *Classes of Documents*. — For the purpose of their presentation evidence, documents are either public or private.

Public documents are:

(a) The written official acts, or records of the official acts of the sovereign authority, official bodies and tribunals, and public officers, whether of the Philippines, or of a foreign country;

(b) Documents acknowledge before a notary public except last wills and testaments; and

(c) Public records, kept in the Philippines, of private documents required by law to be entered therein. All other writings are private. (20a)

³⁶ See *Heirs of Tomas Arao, et al. v. Heirs of Pedro Eclipse, et al.*, 843 Phil. 391, 406 (2018).

³⁷ See *Meneses v. Venturozo*, 675 Phil. 641, 652 (2011).

will strip the document of its public character and reduce it to a private instrument.³⁸ Consequently, when there is a defect in the notarization of a document, the clear and convincing evidentiary standard normally attached to a duly-notarized document is dispensed with, and the measure to test the validity of such document is preponderance of evidence.³⁹

Here, the circumstances under which the Deed of Sale dated November 17, 1989 was purportedly notarized speak volumes against the genuineness and due execution of the supposed deed.

First. The details of the notarized Deed of Sale dated November 17, 1989 *vis-à-vis* Deed of Sale dated May 8, 1989 are highly incredulous:

Deed of Sale dated May 8, 1989	Deed of Sale dated November 17, 1989
Notarized on May 10, 1989. Notarial Details: Doc. No. 475 Page No. 96 Book No. 190 Series of 1989	Notarized on January 31, 1990. Notarial Details: Doc. No. 171 Page No. 36 Book No. 223 Series of 1990
Findings: <ul style="list-style-type: none"> ▪ From May 10, 1989 to January 31, 1990, or a span of 7 months and 21 days, Atty. Jesus V. Rosal purportedly consumed 33 notarial books (Book 223 minus Book 190 = 33 books) 	
Atty. Jesus V. Rosal details: Until December 31, 1990 PTR No. 544163 1-2-89 Cebu City TAN: R2423-F0124-A-1	Atty. Jesus V. Rosal details: Until December 31, 1990 PTR No. 8453324 1-2-90 Cebu City TAN: R2423-F0124-A-1
Findings: <ul style="list-style-type: none"> ▪ From January 1, 1989 to January 2, 1990, Cebu City purportedly issued about 7,909,161 Professional Tax Receipts (PTR) before issuing Atty. Jesus V. Rosal his PTR No. 8453324. ▪ In Rosalita Bagano Nevado's Affidavit of Adjudication with Sale dated March 15, 1994, Atty. Teodoro V. Cabilan's PTR is indicated as PTR No. 3909302 CEBU CITY 1-4-94 which begs the question where Atty. Jesus V. Rosal procured his PTR. 	

Surely, it is highly improbable if not altogether impossible for Atty. Rosal to consume 33 notarial books in a short period of seven months and 21 days. It is just as unbelievable that Cebu City had issued about 7.9 million

³⁸ *Id.*

³⁹ *Id.*

professional tax receipts in a span of one year from January 1, 1989 to January 2, 1990.

Second. The Records Management and Archives Office certified that Deed of Sale dated November 17, 1989 in favor of respondent was not in their records. Although the failure of Notary Public Atty. Rosal to submit such copies to the archive's office does not, by itself, establish forgery, such omission should have nevertheless been explained by respondent. But her testimony did not even touch on this issue despite the fact that petitioners have raised this matter from the get-go. She did not even bother presenting Atty. Rosal as witness.

In *De Joya v. Madlangbayan*,⁴⁰ this Court ordained that irregular notarization reduces the evidentiary value of the document to a private document which requires proof of its due execution and authenticity to be admissible as evidence, *viz.*:

On its face, Deed of Absolute Sale dated April 8, 1996 states that it was notarized by Notary Public Atty. Henry Adasa on the same date it was executed, with the following notarial details: Doc. No. 350, Page No. 70, Book No. XII, Series of 1996. However, it is not disputed that the same does not appear in Atty. Adasa's Notarial Registry for the year 1996. Atty. Adasa claims that the failure is by mere inadvertence. Regardless of the reason for such omission, the failure of Atty. Adasa to register the subject Deed of Absolute Sale casts doubt on the authenticity of the document. **Registration of the notarized document in the notarial registry is basic requirement in the notarial process. The notarial registry is a record of the notary public's official acts. Acknowledged documents and instruments recorded in it are considered public documents. The notarial registry is a record of the notary public's official acts. Acknowledged documents and instruments recorded in it are considered public documents. A document or instrument which does not appear in the notarial records or without a copy of it therein, suggests that the document or instrument was not really notarized. Without registration, a document or instrument while signed by the Notary Public cannot be treated as duly notarized. It cannot be treated as a public document and as such, is not entitled to the presumption of regularity. The document or instrument does not have for its benefit that which is due to public documents, that is that genuineness and due execution need not be proved. Irregular notarization reduces the evidentiary value of a document to a private document which requires proof of its due execution and authenticity to be admissible as evidence.**⁴¹ (Emphases supplied, citations omitted)

Third. The Deed of Sale dated November 17, 1989 was only notarized on January 31, 1990. How could Atty. Rosal acknowledge that three individuals purportedly sign a deed 75 days later? More, respondent could not have affixed her signature on November 17, 1989, given that her Residence

⁴⁰ G.R. No. 228999, April 28, 2021.

⁴¹ *Id.*

Certificate # 15120 was only procured on January 3, 1990. For clarity's sake, the signature portion and acknowledgment are provided:

x x x x

IN WITNESS WHEREOF, we hereby affix our signature this 17th day of November 1989 at Cebu City, Philippines.

(SGD)	(SGD)	(SGD)
FLORENTINO BAGANO	AURELIA BAGANO	ELEUTERIA B. ERASMO
Vendor	Vendor	Vendee
R.C. # 4120551	R.C. # 9495354	R.C. # 15120
dated Aug. 8/89	dated 8/20/89	dated 1/3/90

SIGNED IN THE PRESENCE OF:

1. [Illegible] (SGD)
2. [No Name] (SGD)

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF CEBU) S.S.

BEFORE ME, a Notary Public for and in the province and cities of Cebu, personally appeared FLORENTINO BAGANO and AURELIA BAGANO[,] and ELEUTERIA B. ERASMO, **all known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same are their true, free, own[,] and voluntary act and deed.**

WITNESS MY HAND AND SEAL, this 31 day of Jan 31, 1990 at Cebu City, (sic) Philippines.

ATTY. JESUS V. ROSAL (SGD)
Notary Public
Until Dec. 31, 1990
PTR No. 8453324
1-2-90 Cebu City
TAN:R2423-F-0124-A-1

Doc. No. 171
Page No. 36
Book No. 223
Series of 1990.⁴²

A perusal of the details reveals that Deed of Sale dated November 17, 1989 was purportedly signed by Florentino, Aurelia, and Eleuteria on November 17, 1989 but respondent's Residence Certificate # 15120 was only procured on January 3, 1990 and notarization by Atty. Rosal only occurred on January 31, 1990, or 75 days after these three individuals purportedly signed the deed on November 17, 1989. How could Atty. Rosal be able to verify the

⁴² Rollo, p. 125.

signatures of Florentino, Aurelia, and Eleuteria, which they purportedly affixed on November 17, 1989?

In *Kiener v. Amores*,⁴³ the Court ruled that notarization is not an empty, meaningless routinary act but one invested with substantive public interest as it converts a private document to a public document, making it admissible in evidence:

It is settled that “notarization is not an empty, meaningless routinary act, but one invested with substantive public interest. Notarization converts a private document into a public document, making it admissible in evidence without further proof of its authenticity. Thus, a notarized document is, by law, entitled to full faith and credit upon its face. It is for this reason that a notary public must observe with utmost care the basic requirements in the performance of his notarial duties; otherwise, the public’s confidence in the integrity of a notarized document would be undermined.”

x x x x

This provision bolsters the requirement of physical appearance as it prohibits the notary public from performing a notarial act if the signatory is not in his/her presence at the time of the notarization.

In *Prospero v. Delos Santos*, the Court emphasized that “a notary public should not notarize a document unless the person who signed the same is the very same person who executed and personally appeared before him to attest to the contents and the truth of what are stated therein. Without the appearance of the person who actually executed the document in question, the notary public would be unable to verify the genuineness of the signature of the acknowledging party and to ascertain that the document is the party’s free act or deed.”⁴⁴ (Emphases supplied, citations omitted)

In *Rama v. Papa*,⁴⁵ the Court reiterated some of the basic rules concerning the notarization of deeds of conveyance involving real property. Such rules are important because an improperly notarized document cannot be considered a public document and will not enjoy the presumption of its due execution and authenticity:

The deed was purportedly notarized by Atty. William Gumtang, who was personally known to Papa as he was one of the notaries public of CSE. Had Atty. Gumtang testified that Papa had signed the deed of sale in his presence, Papa’s memory lapse would have had less relevance. **Yet Atty. Gumtang was never called on as a witness for the defense, nor was any other step taken by the respondents to otherwise establish that Papa had signed the deed of sale in front of the notary public.**

⁴³ A.C. No. 9417, November 18, 2020.

⁴⁴ *Id.*

⁴⁵ 597 Phil. 227 (2009).

A.

Papa's admissions, refreshing in their self-incriminatory candor, bear legal significance. **With respect to deeds of sale or conveyance, what spells the difference between a public document and a private document is the acknowledgement in the former that the parties acknowledging the document appear before the notary public and specifically manifest under oath that they are the persons who executed it, and acknowledge that the same are their free act and deed.** The Court, through Chief Justice Davide, had previously explained:

A *jurat* which is normally in this form:

Subscribed and sworn to before me in _____, this
 _____ day of _____, affiant having exhibited to me his
 Community (before, Residence) Tax Certificate No.
 _____ issued at _____ on _____.

"is that part of an affidavit in which the officer certifies that the instrument was sworn to before him. It is not a part of a pleading but merely evidences the fact that the affidavit was properly made (Young vs. Wooden, 265 SW 24, 204 Ky. 694)." The *jurat* in the petition in the case also begins with the words "subscribed and sworn to me."

To subscribe literally means to write underneath, as one's name; to sign at the end of a document. To swear means to put on oath; to declare on oath the truth of a pleading, etc. Accordingly, in a *jurat*, the affiant must sign the document in the presence of and take his oath before a notary public or any other person authorized to administer oaths.

As to acknowledgement, Section 1 of Public Act No. 2103 provides:

(a) The acknowledgement shall be made before a notary public or an officer duly authorized by law of the country to take acknowledgements of instruments or documents in the place where the act is done. The notary public or the officer taking the acknowledgement shall certify that the person acknowledging the instrument or document is known to him and that he is the same person who executed it, and acknowledged that the same is his free act and deed. The certificate shall be made under his official seal, if he is by law required to keep a seal, and if not, his certificate shall so state.

It is obvious that the party acknowledging must likewise appear before the notary public or any other person authorized to take acknowledgements of instruments or documents.

The presumptions that attach to notarized documents can be affirmed only so long as it is beyond dispute that the notarization was regular. We cannot ascribe that conclusion at bar to the deed of sale. Respondent failed to confirm before the RTC that he had actually appeared before the notary public, a bare minimum requirement under Public Act No. 2103. Such defect will not *ipso facto* void the deed of sale. However, it eliminates the presumptions that are carried by notarized public documents and subject


the deed of sale to a different level of scrutiny than that relied on by the Court of Appeals. This consequence is with precedent. **In *Tigno v. Sps. Aquino*, where the public document in question had been notarized by a judge who had no authority to do so, the Court dispensed with the clear and convincing evidentiary standard normally attached to duly notarized documents, and instead applied preponderance of evidence as the measure to test the validity of that document.**

It appears that respondents had previously laid stress on the claim that it is a common practice in real estate transactions that deeds of conveyance are signed on separate occasions by the vendor and the vendee, and not necessarily in the presence of the notary public who notarizes the document but they adduced nothing to support their claim but their mere say-so. **Assuming *arguendo* that is indeed the common practice in the business, we quite frankly do not care. The clear requirements of law for a proper acknowledgement may not be dispensed with simply because generations of transactions have blithely ignored such requirements. If it is physically impossible for the vendor and the vendee to meet and sign the deed in the presence of one notary public, there is no impediment to having two or more different notaries ratifying the document for each party that respectively appears before them. This is the prudent practice adopted by professional law enterprises, and it is a correct measure in consonance with the law.**⁴⁶ (Emphases supplied, citations omitted)

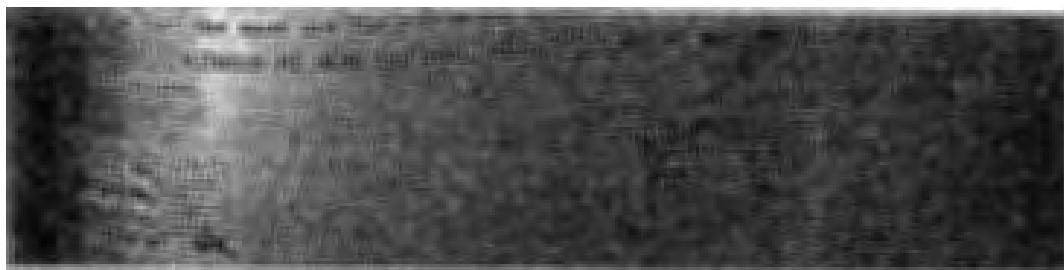
The acknowledgment shall be made before a notary public or an officer duly authorized by the law of the country to take acknowledgments of instruments or documents in the place where the act is done. Given the different timelines in Deed of Sale dated November 17, 1989, when did Atty. Rosal acknowledge that they signed the deed, November 17, 1989? January 3, 1990 when respondent procured her residence certificate? Was it January 31, 1990 when Atty. Rosal affixed his signature? The pieces of evidence were all conflicted.

Finally. Even the signature of the Atty. Rosal reveals marked differences:

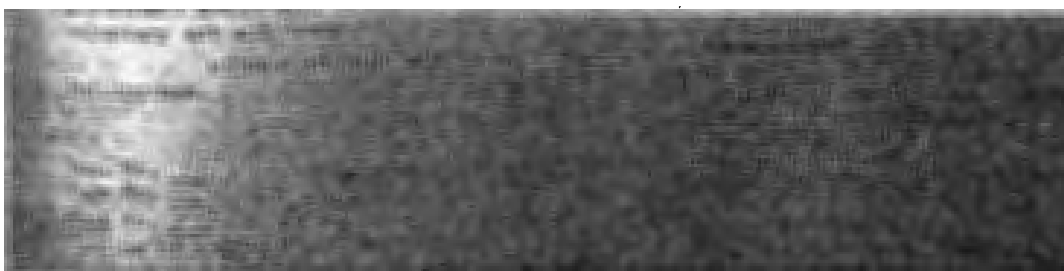
⁴⁶ *Id.* at 241-243.



Signature of Atty. Jesus V. Rosal in the
Deed of Sale dated May 8, 1989 for 50 square meters.⁴⁷



Signature of Atty. Jesus V. Rosal in the
Deed of Sale dated November 17, 1989 for 195 square meters.⁴⁸



It is true that a notarized document carries the evidentiary weight conferred upon it with respect to its due execution, and has in its favor the presumption of regularity. This presumption, however, is not absolute.

To recall, in *Rama v. Papa*,⁴⁹ the presumptions that attach to notarized documents can be affirmed only so long as it is beyond dispute that the notarization was regular. One should have actually appeared before the notary public—a bare minimum requirement under Public Act No. 2103.⁵⁰ Such defect will not *ipso facto* void the deed of sale. However, it eliminates the presumptions that are carried by notarized public documents and subject the deed of sale to a different level of scrutiny than that relied on by the Court of Appeals.

In *Tigno v. Sps. Aquino*,⁵¹ where the public document in question had been notarized by a judge who had no authority to do so, the Court dispensed with the clear and convincing evidentiary standard normally attached to duly notarized documents, and instead applied preponderance of evidence as the measure to test the validity of that document.

⁴⁷ *Rollo*, p. 126.

⁴⁸ *Id.* at 125.

⁴⁹ *Supra* note 45 at 242.

⁵⁰ ACT No. 2103. AN ACT PROVIDING FOR THE ACKNOWLEDGMENT AND AUTHENTICATION OF INSTRUMENTS AND DOCUMENTS WITHOUT THE PHILIPPINE ISLANDS, Enacted January 26, 1912.

⁵¹ 486 Phil. 254 (2004).



In *De Joya v. Madlangbayan*,⁵² the Court ordained that irregular notarization reduces the evidentiary value of the document to a private document which requires proof of its due execution and authenticity to be admissible as evidence.

Here, the Court finds that the attendant circumstances regarding the notarization of the Deed of Sale dated November 17, 1989 are sufficient to overcome the presumption of regularity attached to public documents.

(2) Florentino's signature in the Deed of Sale dated November 17, 1989 was forged.

Coupled with irregular notarization that destroyed the presumption of regularity of the Deed of Sale dated November 17, 1989, petitioners were able to prove that Florentino's signature was forged. *The Heirs of Peter Donton v. Stier and Maggay*⁵³ laid down the rules on establishing forgery, viz:

Furthermore, forgery, as a rule, cannot be presumed and must be proved by clear, positive[,] and convincing evidence and the burden of proof lies on the party alleging forgery - in this case, petitioners. The fact of forgery can only be established by a comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized to have been forged. Pertinently, Section 22, Rule 132 of the Revised Rules of Court provides:

Section. 22. How genuineness of handwriting proved. - The handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or been charged, and has thus acquired knowledge of the handwriting of such person. **Evidence respecting the handwriting may also be given 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 *Gepulle-Garbo v. Spouses Garabato*, the Court explained the factors involved in the examination and comparison of handwritings in this wise:

x x x [T]he authenticity of a questioned signature cannot be determined solely upon its general characteristics, similarities or dissimilarities with the genuine signature. Dissimilarities as regards spontaneity, rhythm, pressure of the pen, loops in the strokes, signs of stops, shades, etc., that may be found between the questioned signature and the genuine one are not decisive on the question of the former's authenticity. The result of examinations of questioned handwriting, even with the benefit of aid of experts and

⁵² *Supra* note 40.

⁵³ 817 Phil 165 (2017).

10

scientific instruments, is, at best, inconclusive. There are other factors that must be taken into consideration. The position of the writer, the condition of the surface on which the paper where the questioned signature is written is placed, his state of mind, feelings and nerves, and the kind of pen and/or paper used, play an important role on the general appearance of the signature. Unless, therefore, there is, in a given case, absolute absence, or manifest dearth, of direct or circumstantial competent evidence on the character of a questioned handwriting, much weight should not be given to characteristic similarities, or dissimilarities, between that questioned handwriting and an authentic one.⁵⁴ (Emphases supplied, citations omitted)

Verily, forgery, as a rule, cannot be presumed and must be proved by the party alleging forgery through clear, positive, and convincing evidence. It can only be established by a comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized to have been forged.

Here, when Document Examiner Varona was presented as an expert witness, respondent through counsel Atty. Salvador O. Solima (*Solima*) never objected to his qualification and even admitted that he is an expert.⁵⁵ Thus, Varona testified in his expert opinion that the signature of Florentino appearing on the Deed of Sale dated November 17, 1989 was forged, *viz.*:

ATTY. REQUINA:

Q: Mr. Witness, for the information of this Honorable Court, will you please tell us your present employment?

ATTY. SOLIMA:

Already admitted, Your Honor.

ATTY. REQUINA:

To abbreviate proceedings, as it is admitted that he is an expert, I will go direct to the point, Your Honor.⁵⁶

x x x x

ATTY. REQUINA:

Q: Will you please demonstrate in open court the actual examination of both document herein mentioned to further enlighten the public as well as this Honorable Court.

A. Yes, Sir. I made a photograph enlargement wherein the questioned and the standard signatures of Florentino Bagano appeared. I made a chart. The enlarged photograph under the caption questioned is the questioned signature of Florentino Bagano appearing in the Deed of Absolute Sale over a portion of residential land Lot No. 1442-Q dated November 17, 1989 and

⁵⁴ *Id.* at 177-178.

⁵⁵ Transcript of Stenographic Notes dated March 8, 2006, p. 3.

⁵⁶ *Id.*

the enlargement (sic) photograph under the caption standard is the standard signature of Florentino Bagano taken from the Deed of Absolute Sale over a residential land dated May 8, 1989. These red arrows appearing between the questioned and the standard signatures indicate the differences. **First, number one, in the questioned signature capital letter F from the initial stroke forms a retrace. Whereas in the standard signatures[,] they do not form a retrace instead it forms an eyelid. Number 2, in the questioned signature in the capital letter F, the lower loop formation is continuous. Whereas in the standard signature[,] they are not continuous. It is not continuous rather. Sorry. Number three, the height of capital letter F to small letter L in the word Florentino in the questioned signature is a little bit higher. Whereas in the standard signatures[,] from the tip of capital letter F to the tip of small letter L in word Florentino is very high. Next, in small letter R there is a loop formation in the questioned signature in the word Florentino. Whereas in the standard signature[,] there is no loop formation instead it form[s] a line. Next, there are two loops formation (sic) in the word Florentino in small letter N in the questioned signature. Whereas in the standard signature[,] there are three loops formation (sic). A small letter T, the T crossing in the questioned signature is located at the shoulder of the bar letter E in the questioned signature. Whereas in the standard signature[,] it is almost at the middle of that is what we called medial T crossing. Small letter I and small letter N in the questioned signature, the tip are almost level in height. Whereas in the standard signature[,] there are not level in height. Small letter O in the word Florentino in the questioned signature forms a curvature. Whereas in the standard signatures[,] it form[s] a small letter S. Let us go to capital letter B in the word Bagano. In the questioned signature[,] the medial loop formation is longer in the questioned signature. Whereas in the standard signature[,] is not long as far as the medial loop is concerned. Small letter A in the word Bagano in the questioned signature from the bar is quite far the (sic) distance. Whereas in the standard signature[,] they have a narrow distance. Small letter G in the word Bagano in the questioned signature forms [an] oval curve formation. Whereas in the standard signature[,] it forms an angular curve formation. The terminal stroke of small letter G in the word Bagano in the questioned signature it (sic) is almost level on the top of small typewritten R. Whereas in the standard signature[,] it is below [the] baseline of the typewritten small letter R. Again, small letter N and small letter O from a small letter W in the questioned signature. Whereas in the standard signature[,] it forms a bar and at a close loop formation a terminal ending to the right. I think that's all, Sir.**

x x x x

ATTY. REQUINA:

Q. Now, Mr. Witness, after cursory examination of both questioned and standard signatures appearing in both documents herein mentioned, what are your findings, if any?

A. My findings state that the questioned and standard signatures reveal significant differences in letter formation construction and other individual handwriting characteristics which I demonstrated a while ago, Sir.⁵⁷ (Emphases supplied)

⁵⁷ *Id.* at 8-9.

Varona presented before the trial court his formalized findings in Questioned Document Report No. 021-2005,⁵⁸ viz.:

SPECIMENS SUBMITTED:

- I- Document appearing the questioned signature of Florentino Bagano marked to wit:
 - 1. One (1) Deed of Absolute Sale over a Portion of Residential Land, Lot No. 1442-Q acknowledged before Notary Public Jesus Rosal, dated 17 November 1989 marked "Q-a".

- II- Document appearing the standard signature of Florentino Bagano marked to wit:
 - 1. One (1) Deed of Absolute Sale over a Portion of Residential Land acknowledged before Notary Public Jesus Rosal on 8 May 1989 marked "S-a".

PURPOSE OF LABORATORY EXAMINATION:

To determine whether or not the questioned signature of Florentino Bagano appearing in the Deed of Absolute Sale over a Portion of Residential Land dated 17 November 1989 marked "Q-a" and the standard signature submitted for comparison marked "S-a" were written by two different person[s].

FINDINGS:

Comparative examination and analysis of the questioned signature marked "Q-a" and the standard signature marked "S-a" reveal significant differences in letter formation construction and other individual handwriting characteristics.

CONCLUSION:

The questioned signature of Florentino Bagano appearing in the Deed of Absolute Sale over a Portion of Residential Land dated 17 November 1989 marked "Q-a" and the standard signature submitted for comparison marked "S-a" were written by two different persons.

REMARKS:

The original copies of the documents for examination were photograph[ed] and examined at the office of [the] Branch Clerk of Court, RTC Br. 9, Cebu City.

TIME AND DATE COMPLETED: 081030H March 2005. (Emphases supplied)

On cross, Varona admitted that the signature of a person varies from time to time, especially with persons who are already of age. But such was not the situation here. The signature of Florentino in the Deed of Sale dated

⁵⁸ *Rollo*, p. 127.

November 17, 1989 was clearly forged; there was an obvious attempt to imitate his signature.

The trial court, considering the totality of the circumstances, examined the deeds of sale and weighed documentary and testimonial evidence, and concluded that the Deed of Sale dated November 17, 1989 was indeed forged:

Fifth, Mr. Varona of the PNP Crime Laboratory was presented and he testified that in his expert opinion, the signature of Florentino Bagano appearing on the Deed of Sale examined is a forgery because of the difference in the stokes of the person writing the signature appearing above the name of Florentino Bagano. But Defendant Erasmo chose not to present an expert witness and instead presented a witness who was purportedly present when Florentino Bagano signed the document of sale. But Defendant Erasmo and her witness did not specify which of the two deeds of sale when signed that she was present.⁵⁹

Thus, as an expert witness, Varona's testimony was admitted by the trial court without objection from respondent who even admitted his qualification. In *Magsino v. Magsino*,⁶⁰ unrefuted expert testimony, when accepted by the trial court, is not reviewable in the absence of abuse of discretion:

Although courts are not ordinarily bound by expert testimonies, they may place whatever weight they may choose upon such testimonies in accordance with the facts of the case. The relative weight and sufficiency of expert testimony is peculiarly within the province of the trial court to decide, considering the ability and character of the witness, his actions upon the witness stand, the weight and process of the reasoning by which he has supported his opinion; his possible bias in favor of the side for whom he testifies, the fact that he is a paid witness, the relative opportunities for study and observation of the matters about which he testifies, and any other matters which deserve to illuminate his statements. **The opinion of the expert may not be arbitrarily rejected; it is to be considered by the court in view of all the facts and circumstances in the case and when common knowledge utterly fails, the expert opinion may be given controlling effect. The problem of the credibility of the expert witness and the evaluation of his testimony is left to the discretion of the trial court whose ruling thereupon is not reviewable in the absence of abuse of discretion.**⁶¹ (Emphasis supplied)

Nevertheless, in *Jimenez v. Commission on Ecumenical Mission and Relations of the United Presbyterian Church in the USA*,⁶² “[i]t is also hornbook doctrine that the opinions of handwriting experts, even those from the NBI and the PC, are not binding upon courts. This principle holds true especially when the question involved is mere handwriting similarity or dissimilarity, which can be determined by a visual comparison of specimens

⁵⁹ *Id.* at 76.

⁶⁰ G.R. No. 205333, February 18, 2019, citing *People v. Basite*, 459 Phil. 197, 206–207 (2003).

⁶¹ *Id.*

⁶² 432 Phil. 895 (2002).

of the questioned signatures with those of the currently existing ones.”⁶³ Handwriting experts are usually helpful in the examination of forged documents because of the technical procedure involved in analyzing them. But resort to these experts is not mandatory or indispensable to the examination or the comparison of handwriting.⁶⁴ A finding of forgery does not depend entirely on the testimonies of handwriting experts, because the judge must conduct an independent examination of the questioned signature in order to arrive at a reasonable conclusion as to its authenticity.⁶⁵ Thus:

x x x. A finding of forgery does not depend entirely on the testimony of handwriting experts. Although such testimony may be useful, the judge still exercises independent judgment on the issue of authenticity of the signatures under scrutiny. The judge cannot rely on the mere testimony of the handwriting expert. In the case of *Gamido vs. Court of Appeals* (citing the case of *Alcon vs. Intermediate Appellate Court*, 162 SCRA 833), the Court held that the authenticity of signatures

‘x x x is not a highly technical issue in the same sense that questions concerning, e.g., quantum physics or topology or molecular biology, would constitute matters of a highly technical nature. The opinion of a handwriting expert on the genuineness of a questioned signature is certainly much less compelling upon a judge than an opinion rendered by a specialist on a highly technical issue.’

“A judge must therefore conduct an independent examination of the signature itself in order to arrive at a reasonable conclusion as to its authenticity x x x.”⁶⁶

More, Section 22 of Rule 132⁶⁷ of the Rules of Court explicitly authorizes the court, by itself, to make a comparison of the disputed handwriting “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.”

To be sure, the Court’s own comparison of the signature of Florentino in the Deed of Sale dated May 8, 1989 for 50 square meters and another Deed of Sale dated November 17, 1989 for 195 square meters reveals marked differences to warrant the conclusion that there was forgery:

⁶³ *Id.* at 907.

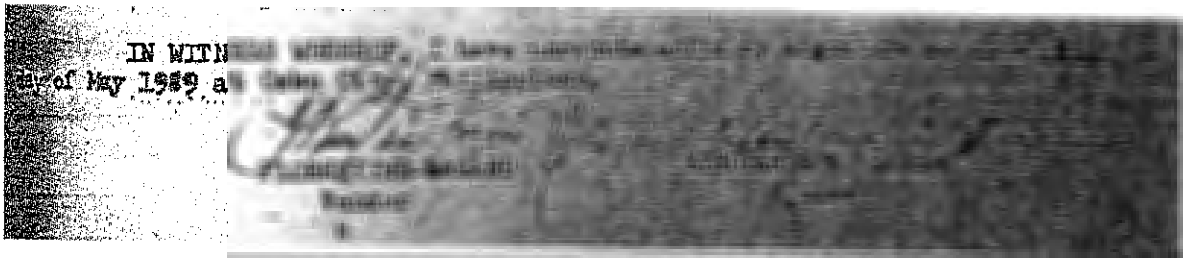
⁶⁴ *Id.*

⁶⁵ *Id.*

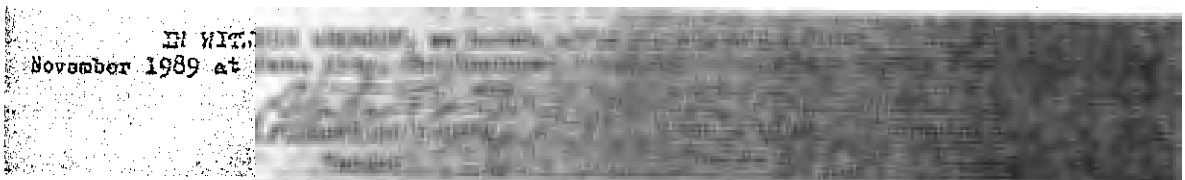
⁶⁶ *Id.* at 907–908.

⁶⁷ Rules of Court, Rule 132, Section 22. *How genuineness of handwriting proved.* — The handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or been charged, and has thus acquired knowledge of the handwriting of such person. Evidence respecting the handwriting may also be given 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. (23a)

Signature of Florentino Bagano in the
Deed of Sale dated May 8, 1989 for 50 square meters.⁶⁸



Signature of Florentino Bagano in the
Deed of Sale dated November 17, 1989 for 195 square meters.⁶⁹



The Court, therefore, reverses the Court of Appeals' findings. Indeed, the best evidence of a forged signature in an instrument is the instrument itself showing the alleged forgeries. The fact of forgery can be established by comparing the allegedly false signature with the authentic or genuine one. As we did here.

For one, it is unbelievable that Florentino's signature would significantly change in only six months. For another, respondent should have at least explained if there was a change in Florentino's condition which could have affected the way he signed these documents. Here, through self-serving testimony, she merely asserted that she was present during the execution of the Deed of Sale dated November 17, 1989, which at the very least is suspect, considering the manner by which it was irregularly notarized.

Being a forgery, the Deed of Sale dated November 17, 1989 (for 195 square meters) conveyed nothing in favor of respondent. The necessary consequence of which follows that such document should be annulled and set aside.

(3) Other circumstances corroborate the finding that the Deed of Sale dated November 17, 1989 is spurious.

⁶⁸ *Rollo*, p. 126.

⁶⁹ *Id.* at 125.

Aside from Varona's clear and convincing testimony on the forgery of Florentino's signature and the irregularities in the notarization, several other circumstances also militate against the validity of the Deed of Sale dated November 17, 1989.

First, respondent's presentation of two deeds - Deed of Sale dated May 8, 1989 for 50 square meters, and another Deed of Sale dated November 17, 1989 for 195 square meters, executed six months apart - is irregular, considering that she allegedly purchased the lots by installment beginning 1985. She was not able to present proof of installment payments, how much was paid in every installment, and its details. It simply strains credulity that for then a princely sum of PHP 75,000.00, respondent was not able to recall the circumstances of the purchase, much less provide details of the payments.

Second, respondent never exercised any act of ownership over the subject property at the time she supposedly purchased the property until 2001 when a fire razed the house constructed over the 102-square meter portion.

Third, respondent never asserted her right over Dr. Hipolito as lessor. When Florentino died, she was supposed to have stepped into his shoes as lessor (by virtue of the two deeds of sale in her name all purportedly executed before his death). But she never did. Nor did she inform the lessees that she is the next owner. More, respondent's witness Georgila is the niece of Florentino. It is therefore highly likely that respondent was readily aware of Florentino's death **and yet** she did not cause the immediate registration of the two deeds of sale nor assert ownership over the property.

Finally, contrary to the finding of the Court of Appeals, respondent never declared Lot No. 1442-Q for real estate taxation in her name in 2001. An examination of the real estate tax receipts would show that it was only on March 14, 2007, when respondent paid real estate taxes for Lot No. 1442-Q-1-Part for the years 2004-2007.⁷⁰ Notably, this was way after the petitioner's Complaint dated September 6, 2001. Meantime, from 1998, when Lot No. 1442-Q in the name of Gregorio was subdivided and Florentino's share was designated Lot No. 1442-Q-1 until March 14, 2004, the declared owner of the subject property remained to be Florentino. In contrast, petitioners had been paying real property taxes over the house and lot from 1994 to 2005. At any rate, tax declarations are not conclusive proof of ownership, they are mere *indicia* that persons paying the real property tax possess the property in the concept of an owner.⁷¹

Double sale under Article 1544, Civil Code

Article 1544 of the Civil Code provides:

⁷⁰ Name of Declared Owner for Real Property Taxes under Eleuteria Erasmo under Tax Declaration No. 05-032-003031 and payment thereof is only from 2004-2007.

⁷¹ See *Heirs of Alido v. Campano*, G.R. No. 226065, July 29, 2019.

ART. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in possession; and, in the absence thereof; to the person who presents the oldest title, provided there is good faith.

If we are to assume that both sales are valid, as ruled by the trial court applying Article 1544 of the Civil Code, the first buyer was respondent and the second buyer was petitioners. Evidence shows that it was the second buyer, the petitioners, who registered the land first in good faith. They are considered in good faith since they were not aware that Florentino allegedly sold the land to respondent. There was also no evidence presented by respondent that she took steps to gain possession of the land or inform occupants of her purchase of the land. Thus, even if the deeds of sale in favor of respondent were not declared void, ownership of the said land is still vested in petitioner by virtue of Article 1544 of the Civil Code. Their right over the lot subject of this case is still superior to the rights of respondent.⁷²

*Rosaroso v. Soria*⁷³ is *apropos*:

Respondents Meridian and Lucila argue that granting that the First Sale was valid, the properties belong to them as they acquired these in good faith and had them first recorded in the Registry of Property, as they were unaware of the First Sale.

Again, the Court is not persuaded.

The fact that Meridian had them first registered will not help its cause. In case of double sale, Article 1544 of the Civil Code provides:

ART. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in possession; and, in the absence thereof; to the person who presents the oldest title, provided there is good faith.

⁷² *Rollo*, pp. 77-78.

⁷³ 711 Phil. 644 (2013).

Otherwise stated, ownership of an immovable property which is the subject of a double sale shall be transferred: (1) to the person acquiring it who in good faith first recorded it in the Registry of Property; (2) in default thereof, to the person who in good faith was first in possession; and (3) in default thereof, to the person who presents the oldest title, provided there is good faith. The requirement of the law then is two-fold: acquisition in good faith and registration in good faith. Good faith must concur with the registration. If it would be shown that a buyer was in bad faith, the alleged registration they have made amounted to no registration at all.

The principle of *primus tempore, potior jure* (first in time, stronger in right) gains greater significance in case of a double sale of immovable property. When the thing sold twice is an immovable, the one who acquires it and first records it in the Registry of Property, both made in good faith, shall be deemed the owner. Verily, the act of registration must be coupled with good faith— that is, the registrant must have no knowledge of the defect or lack of title of his vendor or must not have been aware of facts which should have put him upon such inquiry and investigation as might be necessary to acquaint him with the defects in the title of his vendor.) (Emphases supplied)

When a piece of land is in the actual possession of persons other than the seller, the buyer must be wary and should investigate the rights of those in possession. Without making such inquiry, one cannot claim that he is a buyer in good faith. When a man proposes to buy or deal with realty, his duty is to read the public manuscript, that is, to look and see who is there upon it and what his rights are. A want of caution and diligence, which an honest man of ordinary prudence is accustomed to exercise in making purchases, is in contemplation of law, a want of good faith. The buyer who has failed to know or discover that the land sold to him is in adverse possession of another is a buyer in bad faith. In the case of *Spouses Sarmiento v. Court of Appeals*, it was written:

Verily, every person dealing with registered land may safely rely on the correctness of the certificate of title issued therefor and the law will in no way oblige him to go behind the certificate to determine the condition of the property. Thus, the general rule is that a purchaser may be considered a purchaser in good faith when he has examined the latest certificate of title. An exception to this rule is when there exist important facts that would create suspicion in an otherwise reasonable man to go beyond the present title and to investigate those that preceded it. Thus, it has been said that a person who deliberately ignores a significant fact which would create suspicion in an otherwise reasonable man is not an innocent purchaser for value. A purchaser cannot close his eyes to facts which should put a reasonable man upon his guard, and then claim that he acted in good faith under the belief that there was no defect in the title of the vendor. As we have held:

The failure of appellees to take the ordinary precautions which a prudent man would have

taken under the circumstances, [e]specially in buying a piece of land in the actual, visible and public possession of another person, other than the vendor, constitutes gross negligence amounting to bad faith.

In this connection, it has been held that where, as in this case, the land sold is in the possession of a person other than the vendor, the purchaser is required to go beyond the certificate of title to make inquiries concerning the rights of the actual possessor. Failure to do so would ma[k]e him a purchaser in bad faith.

One who purchases real property which is in the actual possession of another should, at least make some inquiry concerning the right of those in possession. The actual possession by other than the vendor should, at least put the purchaser upon inquiry. He can scarcely, in the absence of such inquiry, be regarded as a bona fide purchaser as against such possessors. (Emphases supplied)

Prescinding from the foregoing, the fact that private respondent RRC did not investigate the Sarmiento spouses' claim over the subject land despite its knowledge that Pedro Ogsiner, as their overseer, was in actual possession thereof means that it was not an innocent purchaser for value upon said land. Article 524 of the Civil Code directs that possession may be exercised in one's name or in that of another. In herein case, Pedro Ogsiner had informed RRC that he was occupying the subject land on behalf of the Sarmiento spouses. Being a corporation engaged in the business of buying and selling real estate, it was gross negligence on its part to merely rely on Mr. Puzon's assurance that the occupants of the property were mere squatters considering the invaluable information it acquired from Pedro Ogsiner and considering further that it had the means and the opportunity to investigate for itself the accuracy of such information.

In another case, it was held that if a vendee in a double sale registers the sale after he has acquired knowledge of a previous sale, the registration constitutes a registration in bad faith and does not confer upon him any right. If the registration is done in bad faith, it is as if there is no registration at all, and the buyer who has first taken possession of the property in good faith shall be preferred. In the case at bench, the fact that the subject properties were already in the possession of persons other than Luis was never disputed. Sanchez, representative[,] and witness for Meridian, even testified as follows:

x x x; that she together with the two agents, defendant Laila Solutan and Corazon Lua, the president of Meridian Realty Corporation, went immediately to site of the lots; that the agents brought with them the three titles of the lots and Laila Solutan brought with her a special power of attorney executed by Luis B. Rosaroso in her favor but she went instead directly to Luis Rosaroso to be sure; that the lots were pointed to them and she saw that there were houses on it but she did not have any interest of the houses because her interest

was on the lots; that Luis Rosaroso said that the houses belonged to him; that he owns the property and that he will sell the same because he is very sickly and he wanted to buy medic[i]nes; that she requested someone to check the records of the lots in the Register of Deeds; that one of the titles was mortgaged and she told them to redeem the mortgage because the corporation will buy the property; that the registered owner of the lots was Luis Rosaroso; that in more or less three months, the encumbrance was cancelled and she told the prospective sellers to prepare the deed of sale; that there were no encumbrances or liens in the title; that when the deed of absolute sale was prepared it was signed by the vendor Luis Rosaroso in their house in Opra x x x.

From the above testimony, it is clear that Meridian, through its agent, knew that the subject properties were in possession of persons other than the seller. Instead of investigating the rights and interests of the persons occupying the said lots, however, it chose to just believe that Luis still owned them. Simply, Meridian Realty failed to exercise the due diligence required by law of purchasers in acquiring a piece of land in the possession of person or persons other than the seller.⁷⁴ (Emphases supplied, citations omitted)

However this Court puts it, we cannot rule in favor of respondent. She never took possession of the property. She already had two deeds of sales way back in 1989 that gave her the right not only to take over the property but as well as notify all persons including petitioner that she is the new owner. But she never did.

She could not feign ignorance of the existence of petitioners and their continued possession either as the two deeds of sales notified her of occupants. She admitted in her testimony that there are pending leases over the property. And yet, she registered the property for tax declaration only in 2007 (as the real property taxes for 2004–2007 registered in respondent's name were only paid in 2007), 18 years after the Deed of Sale dated November 17, 1989, and six years after filing of the Complaint dated September 6, 2001. Her failure to take the ordinary precautions which a prudent person would have taken under the circumstances, especially in buying a piece of land in the actual, visible, and public possession of another person, other than the vendor, constitutes gross negligence amounting to bad faith. **Verily, if the registration is done in bad faith, it is as if there is no registration at all, and the buyer, in this case, the petitioner who has first taken possession of the property in good faith, shall be preferred.**

Petitioners have a better right to the subject property.

It is undisputed that Florentino's property is a 390-square meter portion of Lot No. 1442-Q, a 1,979-square meter property located at Urgello Street,

⁷⁴ *Id.* at 657–661.

Barangay Sambag I, Cebu City inherited from Gregorio. Of Florentino's lot, only a 102-square meter portion is disputed which was rented by Atty. Parawan who constructed a house thereon. Atty. Parawan sold the house to Dr. Hipolito, who, in turn, sold it to petitioners under a Deed of Sale dated October 30, 1993. Upon Florentino's death, his sole heir Rosalita subdivided Florentino's share in the property and executed an Affidavit of Adjudication with Sale dated March 15, 1994, transferring the 102 square meters where the house was constructed in petitioners' favor.

It is also undisputed that petitioners sought relief from the courts asking for the annulment of the Deed of Sale dated November 17, 1989 for 195 square meters only. This is also the basis on which respondent filed a complaint for ejectment. A review of the records⁷⁵ would show that the Deed of Sale dated May 8, 1989 for 50 square meters was not a portion of the 102 square meters subject of this dispute.

Verily, since the residential house and lot in question have been transferred to petitioners by virtue of the Deed of Sale dated October 30, 1993, and the Affidavit of Adjudication with Sale dated March 15, 1994, only petitioners have a clear right over the property. The subsequent publication of Affidavit of Adjudication with Sale dated March 15, 1994 through Sun Star Daily dated April 5, 1994, and its registration with the Register of Deeds of Cebu City in accordance with Act No. 3344 and procurement of Authority to Accept Payment with the Bureau of Internal Revenue, further entrenched petitioners' right over the property.


ACCORDINGLY, the petition is **GRANTED**. The **Decision** dated February 26, 2015 of the Court of Appeals in CA-G.R. CEB-CV No. 03337, as well as its **Resolution** dated September 23, 2015, are **REVERSED and SET ASIDE**.

A new judgment is **ENTERED** in favor of petitioners:

- 1) Declaring the **Deed of Sale dated November 17, 1989** for 195 square meters as a forgery, and therefore, **NULL and VOID**;
- 2) Declaring the **Deed of Sale dated October 30, 1993**, and the **Affidavit of Adjudication with Sale dated March 15, 1994** over 102 square meter portion of Lot No. 1442-Q in favor of petitioners, **VALID** and enforceable, and therefore, rightfully entitled to the subject property; and
- 3) Declaring the **Deed of Sale dated May 8, 1989** for 50 square meters as not part of the subject property of the petitioners.

⁷⁵ Rollo, p. 139.

SO ORDERED.

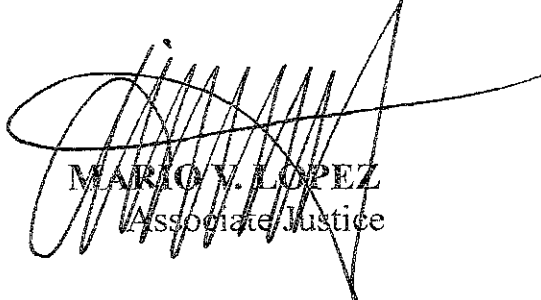


AMY C. LAZARO-JAVIER
Associate Justice


WE CONCUR:



MARVIC MARIO VICTOR F. LEONEN
Senior Associate Justice



MARIO V. LOPEZ
Associate Justice



JAPAR B. DIMAAMPAO
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice

I attest 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.

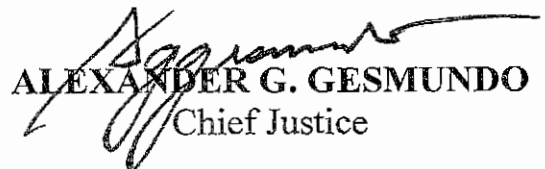


MARVIC MARIO VICTOR F. LEONEN

Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the above Division Chairperson's Attestation, 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

