



Republic of the Philippines
 Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

NORMA M. DIAMPOC,
Petitioner,

G.R. No. 200383

Present:

- versus -

SERENO,* C.J.,
 LEONARDO-DE CASTRO,**
 DEL CASTILLO,
 JARDELEZA, and
 TIJAM, JJ.

**JESSIE BUENAVENTURA and
 THE REGISTRY OF DEEDS
 FOR THE CITY OF TAGUIG,**
Respondents.

Promulgated:
MAR 19 2018

X

[Signature] X

DECISION

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*¹ seeks to set aside the February 21, 2011 Decision² and May 6, 2011 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 92453 which denied herein petitioner's appeal and affirmed the December 20, 2007 Decision⁴ of the Regional Trial Court of Pasig City, Branch 268 (RTC) in Civil Case No. 70076.

Factual Antecedents

In July, 2004, petitioner Norma M. Diampoc and her husband Wilbur L. Diampoc (the Diampocs) filed a Complaint⁵ for annulment of deed of sale

* On leave.
 ** Designated as Acting Chairperson pursuant to Special Order No. 2540 dated February 28, 2018.
¹ *Rollo*, pp. 21-34.
² Id. at 35-41; penned by Associate Justice Japar B. Dimaampao and concurred in by Presiding Justice Andres B. Reyes, Jr. (now a member of this Court) and Associate Justice Jane Aurora C. Lantion.
³ Id. at 42-43.
⁴ Id. at 58-62; penned by Judge Amelia C. Manalastas.
⁵ Id. at 51-57.

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and recovery of duplicate original copy of title, with damages, against respondent Jessie Buenaventura (Buenaventura) and the Registry of Deeds for the Province of Rizal. The case was docketed before the RTC as Civil Case No. 70076.

The Diampocs alleged in their Complaint that they owned a 174-square meter parcel of land (subject property) in Signal Village, Taguig City covered by Transfer Certificate of Title No. 25044 (TCT 25044); that Buenaventura became their friend; that Buenaventura asked to borrow the owner's copy of TCT 25044 to be used as security for a ₱1 million loan she wished to secure; that they acceded, on the condition that Buenaventura should not sell the subject property; that Buenaventura promised to give them ₱300,000.00 out of the ₱1 million loan proceeds; that on July 2, 2000, Buenaventura caused them to sign a folded document without giving them the opportunity to read its contents; that Buenaventura failed to give them a copy of the document which they signed; that they discovered later on that Buenaventura became the owner of a one-half portion (87 square meters) of the subject property by virtue of a supposed deed of sale in her favor; that they immediately proceeded to the notary public who notarized the said purported deed of sale, and discovered that the said 87-square meter portion was purportedly sold to Buenaventura for ₱200,000.00; that *barangay* conciliation proceedings were commenced, but proved futile; that the purported deed of sale is spurious; and that the deed was secured through fraud and deceit, and thus null and void. The Diampocs thus prayed that the purported deed of sale be annulled and the annotation thereof on TCT 25044 be canceled; that the owner's duplicate copy of TCT 25044 be returned to them; and that attorney's fees and costs of suit be awarded to them.

In her Answer, Buenaventura claimed that the Diampocs have no cause of action; that the case is a rehash of an estafa case they previously filed against her but which was dismissed; and that the case is dismissible for lack of merit and due to procedural lapses.⁶

Ruling of the Regional Trial Court

After trial, the RTC rendered its December 20, 2007 Decision, pronouncing as follows:

Counsel for the plaintiffs presented two witnesses, namely: Norma Diampoc and Wilbur Diampoc. Stripped off of its non-essentials, their testimonies are summarized as follows:



⁶ See RTC Decision, id. at 58-59.

1. MRS. NORMA DIAMPOC - The witness is one of the plaintiffs. She testifies that they are the owners of the property x x x covered by Transfer Certificate of Title No. 25044 x x x; that sometime in May 2000, defendant borrowed the original owner's duplicate copy of said title from the plaintiffs to be used as collateral of her loan from a bank as she needed additional capital for her store x x x; that they have agreed that after getting the proceeds of the loan of Php1,000,000.00, defendant will give Php300,000.00 to plaintiff to be used for the repair of plaintiffs' second floor x x x; it was further agreed by the parties that defendant will pay the entire amount of the loan and the Php300,000.00 shall represent payment for the use of plaintiffs' title x x x; that in the morning of July 3, 2000, while plaintiff Norma Diampoc was in the store of a certain Marissa Ibes, defendant Jessie Buenaventura arrived and force her to sign a document without giving her a chance to read the same x x x; that in the morning of November 19, 2002, Eng[r]. Perciliano Aguinaldo went to the plaintiffs' house and conducted a survey of the subject property; that plaintiffs asked said engineer why he was conducting a survey and the engineer replied that it was the instruction of defendant Buenaventura as the said property has already been sold x x x; that Engineer Aguinaldo showed plaintiff a document denominated as "Deed of Sale" x x x; that when plaintiffs signed the Deed of Sale, the word "Vendor" was not yet written x x x; that plaintiffs did not appear before the notary public who notarized the document and never received the amount of Php200,000.00 as stated in the document x x x; that when they confronted the lawyer who notarized the document, plaintiffs were advised to file a complaint before the Office of the Barangay x x x; that the Lupong Tagapamayapa of the said Barangay issued a certificate to file action as the parties failed to settle the case amicably x x x; that plaintiffs sent a letter of protest to Eng[r]. Aguinaldo x x x; that in connection with the filing of the instant complaint, the witness executed a sworn statement x x x.

2. MR. WILBUR DIAMPOC - x x x He was presented to corroborate the testimony of his wife-co-plaintiff, Mrs. Norma Diampoc.

On May 19, 2005, defendant through counsel filed a Motion for Reconsideration praying that he be allowed to participate in the trial. The Court in its Order dated August 22, 2005 gave defendant last opportunity to present evidence in her behalf and allowed her to cross-examine the plaintiffs' witnesses.

On cross-examination, the witnesses confirmed that they signed the subject deed of sale but did not read the contents of the document they signed; that they never appeared before the Notary Public to acknowledge the Deed of Sale; that they did not file a case against the Notary Public; that they did not receive any consideration for the alleged sale; that they filed a complaint against defendant only after they discovered that what they have signed was a Deed of Sale; that they did not read the document before they affixed their signatures because they trusted the defendant x x x.

Counsel for the defendant on the other hand presented the defendant herself as his lone witness. Jessie Buenaventura testified that spouses Diampoc sold to her a portion of their land consisting of 87 square meters



as evidenced by a Deed of Sale marked in evidence x x x; that the said deed of sale was signed and acknowledged before a Notary Public, Atty. Pastor Mendoza on July 6, 2000 x x x; that spouses Diampoc filed a case against her for Estafa, Grave Threat, Coercion and Falsification before the Prosecutor's Office of Rizal x x x; that said cases were dismissed x x x; that because of the filing of the instant case, defendant spent litigation expenses x x x. On cross-examination, defendant further testified that [she] personally gave the amount of Php200,000.00 to plaintiff Norma Diampoc before they went to the Notary Public x x x.

After evaluating the evidence on hand, the Court finds that plaintiffs fall short of the required evidence to substantiate their allegations that subject Deed of Sale x x x is illegal and spurious. 'The Deed of Sale being a public document, it is *prima facie* evidence of the facts stated therein' (Domingo versus Domingo, 455 SCRA 555). Under the rule, the terms of a contract are rendered conclusive upon the parties and evidence *aliunde* is not admissible to vary or contradict a complete and enforceable agreement embodied in a document. (Rosario Textile Mills Corp. versus Home Bankers Savings, 462 SCRA 88).

The pertinent provision of the New Civil Code reads:

'Art. 1159. Obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.'

WHEREFORE, foregoing premises considered, the above-captioned case is hereby DISMISSED for insufficiency of evidence. No pronouncement as to costs.

SO ORDERED.⁷

Ruling of the Court of Appeals

Respondents filed an appeal before the CA, which denied the same, ruling as follows:

In beseeching the annulment of the notarized deed of sale, appellants impress upon Us that they were deceived by Jessie (now 'appellee') into believing that they were signing papers for the intended bank loan. They failed to read the contents of the document for it 'was folded', and Jessie was in a hurry.

These specious arguments are devoid of judicial mooring.

As aptly declared by the court *a quo*, notarized documents, like the deed in question, enjoy the presumption of regularity which can be

⁷ Id. at 59-62.



overturned only by clear, convincing and more than merely preponderant evidence. Miserably, appellants failed to discharge this burden.

Appellants are not illiterate, but educated persons who understood the meaning of the word 'vendor' printed [vividly] under their names. They could easily read such word before they could affix their signatures. We are simply appalled by appellant Wilbur's pathetic explanation that it was '*dark*' at the time he signed the deed so that he failed to read the word 'vendor'.

Yet, even if they avouch to be illiterate, which they most certainly are not being high school graduates themselves, the enunciations in **Bernardo v. Court of Appeals** come to mind –

[G]ranting, without conceding, that private respondent and his wife were both illiterate, this still does not save the day for them. As stressed in *Tan Tua Sia v. Yu Biao Sontua*, 56 Phil. 711, cited in *Mata v. Court of Appeals* - **The rule that one who signs a contract is presumed to know its contents have been applied even to contracts of illiterate persons on the ground that if such persons are unable to read, they are negligent if they fail to have the contract read to them.** If a person cannot read the instrument, it is as much his duty to procure some reliable persons to read and explain it to him, before he signs it, x x x and his failure to obtain a reading and explanation of it is such gross negligence as will estop him from avoiding it on the ground that he was ignorant of its contents.' x x x

Verily, the fact that appellants used only one community tax certificate cannot emasculate the evidentiary weight of the notarized deed. The notary public may have been lax in his duty of requiring two community tax certificates from the appellants, but this will not adversely affect the validity of the notarized deed.

Invariably, appellants cannot now be allowed to disavow the contractual effects of the notarized deed. It is true that parol evidence may be admitted to challenge the contents of such agreement 'where a mistake or imperfection of the writing, or its failure to express the true intent and agreement of the parties, or the validity of the agreement is put in issue by the pleadings.' However, such evidence must be clear and convincing and of such sufficient credibility as to overturn the written agreement. The flimsy protestations of the parties are not substantiated by compelling evidence which would warrant a reversal of the impugned judgment.

As borne out by the notarized deed, a perfected contract of sale was forged between the parties. Appellants received in full the payment of ₱200,000.00, having sold to appellee a portion of their lot. If the terms of the deed were not in consonance with their expectations, they should have objected to it and insisted on the provisions they wanted. Courts are not



authorized to extricate parties from the necessary consequences of their acts, and the fact that the contractual stipulations may turn out to be financially disadvantageous will not relieve parties thereto of their obligations.

With this discourse, appellants' recourse falls through. The claim for payment of damages necessarily fails.

WHEREFORE, the *Appeal* is hereby **DENIED**. The *Decision* dated 20 December 2007 of the Regional Trial Court, Pasig City, Branch 268, in Civil Case No. 70076, is **AFFIRMED**.

SO ORDERED.⁸ (Emphasis in the original)

Petitioner filed a Motion for Reconsideration,⁹ which was denied *via* the May 6, 2011 Resolution. Hence, the instant Petition.

In a January 25, 2016 Resolution,¹⁰ this Court resolved to dispense with the filing of respondent Buenaventura's comment, and petitioner manifested¹¹ her willingness to submit the case for resolution on the basis of the pleadings on record.

Issues

Petitioner claims that –

A. THE COURT OF APPEALS ERRED IN APPLYING THE PRIMA FACIE PRESUMPTION OF REGULARITY OF NOTARIZED DOCUMENTS AND UPHOLDING THE VALIDITY OF THE NOTARIZED DEED OF SALE NOTWITHSTANDING THE UNDISPUTED FACT THAT THERE WERE IRREGULARITIES IN THE EXECUTION AND NOTARIZATION OF THE DEED OF SALE.

B. THE COURT OF APPEALS ERRED IN RULING THAT THERE WAS A VALID CONTRACT OF SALE.¹²

Petitioner's Arguments

Seeking reversal of the assailed CA dispositions, nullification of the subject deed of sale, cancellation of Entry No. 5381 on the back of TCT 25044, the return of the owner's duplicate copy of TCT 25044, and payment

⁸ Id. at 38-40.

⁹ Id. at 78-87.

¹⁰ Id. at 215-216.

¹¹ Id. at 220-224.

¹² Id. at 25.

of attorney's fees and costs of suit, petitioner argues that while a notarized document enjoys the presumption of regularity, this does not apply to the subject deed of sale as it was not signed before the notary public, and was notarized in the absence of petitioner and her husband; that Buenaventura failed to present as her witness the notary public who notarized the deed of sale; that Buenaventura herself failed to show that she was present at the notarization; that there was only one Community Tax Certificate used for both petitioner and her husband; that with the irregularities pointed out, the *prima facie* presumption of regularity no longer applies to the subject deed of sale; that she and her husband never intended to sell the subject property; that while she and her husband were not illiterate, still what matters is that Buenaventura deceived them into signing the subject document without reading it through assurances that what they were signing was an authorization for the purpose of obtaining a bank loan; that she and her husband had no reason to distrust Buenaventura as the purported loan was previously agreed upon; that Buenaventura failed to prove that she paid the purported consideration of ₱200,000.00 for the supposed sale, as she did not present any receipt therefor; and that in view of these facts, the deed of sale should be annulled and voided.

Our Ruling

The Court denies the Petition.

Petitioner's arguments center on the claim that the deed of sale suffers from defects relative to its notarization, which thus render the deed ineffective, if not null and void. Petitioner claims that the deed was not signed by the parties before the notary public; that it was notarized in her and her husband's absence; that there was only one Community Tax Certificate used for both petitioner and her husband; and that Buenaventura failed to present the notary public as her witness.

It must be remembered, however, that "the absence of notarization of the deed of sale would not invalidate the transaction evidenced therein"; it merely "reduces the evidentiary value of a document to that of a private document, which requires proof of its due execution and authenticity to be admissible as evidence."¹³ "A defective notarization will strip the document of its public character and reduce it to a private instrument. Consequently, when there is a defect in the notarization of a document, the clear and convincing evidentiary standard normally attached to a duly-notarized

¹³ *Riosa v. Tabaco La Suerte Corporation*, 720 Phil. 586, 602 (2013).



document is dispensed with, and the measure to test the validity of such document is preponderance of evidence.”¹⁴

x x x Article 1358 of the Civil Code requires that the form of a contract that transmits or extinguishes real rights over immovable property should be in a public document, yet the failure to observe the proper form does not render the transaction invalid. The necessity of a public document for said contracts is only for convenience; it is not essential for validity or enforceability. Even a sale of real property, though not contained in a public instrument or formal writing, is nevertheless valid and binding, for even a verbal contract of sale or real estate produces legal effects between the parties. Consequently, when there is a defect in the notarization of a document, the clear and convincing evidentiary standard originally attached to a duly-notarized document is dispensed with, and the measure to test the validity of such document is preponderance of evidence.¹⁵

x x x Nevertheless, the defective notarization of the deed does not affect the validity of the sale of the house. Although Article 1358 of the Civil Code states that the sale of real property must appear in a public instrument, the formalities required by this article is not essential for the validity of the contract but is simply for its greater efficacy or convenience, or to bind third persons, and is merely a coercive means granted to the contracting parties to enable them to reciprocally compel the observance of the prescribed form. Consequently, the private conveyance of the house is valid between the parties.¹⁶

Thus, following the above pronouncements, the remaining judicial task, therefore, is to determine if the deed of sale executed by and between the parties should be upheld. The RTC and the CA are unanimous in declaring that the deed should be sustained on account of petitioner's failure to discredit it with her evidence. The CA further found that petitioner and her husband received in full the consideration of ₱200,000.00 for the sale. As far as the lower courts are concerned, the three requirements of cause, object, and consideration concurred. This Court is left with no option but to respect the lower courts' findings, for its jurisdiction in a petition for review on *certiorari* is limited to reviewing only errors of law since it is not a trier of facts. This is especially so in view of the identical conclusions arrived at by them.

Indeed, petitioner and her husband conceded that there was such a deed of sale, but only that they were induced to sign it without being given the opportunity to read its contents - believing that the document they were

¹⁴ *Mendoza v. Fermin*, 738 Phil. 429, 445 (2014).

¹⁵ *Castillo v. Security Bank Corporation*, 740 Phil. 145, 153-154 (2014).

¹⁶ *Chong v. Court of Appeals*, 554 Phil 43, 61-62 (2007).



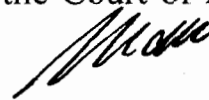
signing was a mere authorization to obtain a bank loan. According to petitioner, the document was “folded” when she affixed her signature thereon; on the other hand, her husband added that at the time he signed the same, it was “dark”. These circumstances, however, did not prevent them from discovering the true nature of the document; being high school graduates and thus literate, they were not completely precluded from reading the contents thereof, as they should have done if they were prudent enough. Petitioner’s excuses are therefore flimsy and specious.

Petitioner and her husband’s admission that they failed to exercise prudence can only be fatal to their cause. They are not unlettered people possessed with a modicum of intelligence; they are educated property owners capable of securing themselves and their property from unwarranted intrusion when required. They knew the wherewithal of property ownership. Their failure to thus observe the care and circumspect expected of them precludes the courts from lending a helping hand, and so they must bear the consequences flowing from their own negligence.

The rule that one who signs a contract is presumed to know its contents has been applied even to contracts of illiterate persons on the ground that if such persons are unable to read, they are negligent if they fail to have the contract read to them. If a person cannot read the instrument, it is as much his duty to procure some reliable persons to read and explain it to him, before he signs it, as it would be to read it before he signed it if he were able to do so and his failure to obtain a reading and explanation of it is such gross negligence as will estop him from avoiding it on the ground that he was ignorant of its contents.¹⁷

It is also a well-settled principle that “the law will not relieve parties from the effects of an unwise, foolish or disastrous agreement they entered into with all the required formalities and with full awareness of what they were doing. Courts have no power to relieve them from obligations they voluntarily assumed, simply because their contracts turn out to be disastrous deals or unwise investments. Neither the law nor the courts will extricate them from an unwise or undesirable contract which they entered into with all the required formalities and with full knowledge of its consequences.”¹⁸

WHEREFORE, the Petition is **DENIED**. The February 21, 2011 Decision and May 6, 2011 Resolution of the Court of Appeals in CA-G.R. CV No. 92453 are **AFFIRMED in toto**.



¹⁷ *Bernardo v. Court of Appeals*, 387 Phil. 736, 748 (2000), citing *Mata v. Court of Appeals*, 284 Phil. 36, 45 (1992).

¹⁸ *Fernandez v. Spouses Tarun*, 440 Phil. 334, 347 (2002).

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

(On leave)
MARIA LOURDES P. A. SERENO
Chief Justice


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice


NOEL GIMENEZ TIJAM
Associate Justice

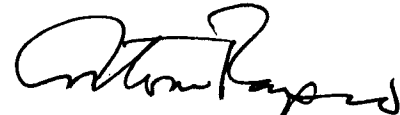
ATTESTATION

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.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting 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.



ANTONIO T. CARPIO
*Acting Chief Justice*¹⁹

¹⁹ Pursuant to Special Order No. 2539 dated February 28, 2018.

