



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

**ROSALINDA Z. TURLA AND
SPOUSES RICARDO AND
MYRNA TURLA,**

G.R. No. 205743

Present:

Petitioners,

LEONEN, *J.*,
Chairperson,
CARANDANG,
LOPEZ, M.,*
ROSARIO, and
DIMAAMPAO,** *JJ.*

-versus-

**HEIRS OF PATROCINIO N.
DAYRIT, NAMELY: HONORINA
DAYRIT-VILLANUEVA,
MARGARITA DAYRIT-TIMBOL,
LILIBETH DAYRIT, REGINA
DAYRIT-CANLAS, CECILIA
DAYRIT-KWONG, PRISCILLA
DAYRIT-SOLIS, EMILY DAYRIT-
BULAN, AND ANTHONY
DAYRIT,**

Promulgated:

October 6, 2021

Respondent.

MistDcBatt

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DECISION

CARANDANG, J.:

This Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assails the Decision² dated August 31, 2012 and the Resolution³ dated January 31, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 94151 which dismissed petitioners' appeal and denied petitioners' motion for reconsideration, respectively.

* Lopez, M., *J. vice Zalameda, J.*, per Raffle dated March 9, 2020.

** Designated as additional Member.

¹ *Rollo*, pp. 4-25.

² Penned by Associate Justice Ramon M. Bato, Jr. with the concurrence of Associate Justices Andres B. Reyes, Jr. (now a Retired Member of this Court) and Rodil V. Zalameda (now a Member of this Court); *id.* at 29-41.

³ *Id.* at 42-43.

J

Facts of the Case

This case originated from a complaint⁴ for Declaration of Nullity of Deeds of Sale of 1979 and 1991, Declaration of Nullity of TCT Nos.104129 and 104130, and Damages filed by respondent Heirs of Patrocinio N. Dayrit against petitioners Rosalinda Z. Turla and Spouses Ricardo and Myrna Turla before the Regional Trial Court (RTC) of Angeles City, Branch 58.

Patrocinio N. Dayrit (Patrocinio) was the owner of two parcels of land located in Angeles City, covered by Transfer Certificate of Title (TCT) Nos. 40956 and 40967. These properties were registered under his name, “married to Rita R. Mina.” Patrocinio died on December 16, 1991.⁵

During his lifetime, Patrocinio executed a Conditional Sale⁶ on November 11, 1983 with petitioner Ricardo Turla (Ricardo), whereby Patrocinio offered to sell the two parcels of land, and a third real property covered by TCT No 47382, for the price of ₱317,000.00. Ricardo shall make a down payment of ₱50,000.00. A partial down payment of ₱20,000.00 was already paid by Ricardo. The balance of ₱267,000.00 shall be paid by Ricardo upon the release of his loan from the Development Bank of the Philippines (DBP) or any other bank. If Ricardo backs out for whatever reason or the loan was disapproved or he is no longer interested, the ₱20,000.00 down payment shall be forfeited in favor of Patrocinio.⁷

Ricardo applied with the DBP, and later with the Philippine National Bank (PNB) for a housing loan in the amount of ₱500,000.00. For this purpose, a special power of attorney (SPA)⁸ was executed by Patrocinio, in favor of Ricardo and his wife, petitioner Myrna Turla, which authority was annotated on TCT Nos. 40956 and 40967 as Entry No. 1508. A real estate mortgage was subsequently constituted on the two properties, which were duly recorded on the titles and annotated as Entry No. 1509. In June 1996, the mortgages were released, per entry No. 8087.⁹

After Patrocinio’s death, his heirs, respondents herein, checked on the titles of their father’s properties and discovered that TCT No. 40956 was already cancelled by TCT No. 104129 in the name of petitioner Rosalinda Z. Turla (Rosalinda), Ricardo’s sister. On the other hand, TCT No. 40967 was replaced by TCT No.104130 also in the name of Rosalinda. Respondents learned that Patrocinio’s titles was cancelled pursuant to a Deed of Absolute Sale dated August 17, 1979 (Exh. “E”)¹⁰ between Patrocinio, as seller, and Rosalinda, as buyer. Further, there was a different Deed of Absolute Sale dated January 11, 1991 (Exh. “F”),¹¹ also between Patrocinio and Rosalinda

⁴ Id. at 63-72.

⁵ Id. at 64.

⁶ Id. at 116-118.

⁷ Id. at 64-65.

⁸ Id. at 77-78.

⁹ Id. at 65-67.

¹⁰ Id. at 82.

¹¹ Id. at 83.

involving the same properties. As to the third property covered by TCT No 47382, respondents alleged that the same is in possession of petitioners.¹²

Respondents demanded that petitioners reconvey the properties to them. They claimed that they did not remember their father selling the properties in 1979 and the signature of Patrocinio appeared to be forged in said deed. They were only aware of the 1983 Conditional Sale, and as far as they know, Ricardo failed to comply with the terms and conditions thereof. Petitioners refused to heed to their demand. Hence, respondents filed the complaint praying that the Deeds of Sale dated August 17, 1979 and January 11, 1991 be declared null and void; TCT Nos. 104129 and 104130 in the name of Rosalinda Turla be cancelled, and that TCT Nos. 40956 and 40967 be reinstated; and for petitioners to pay damages.¹³

In their Answer with Third Party Complaint and Compulsory Counterclaim,¹⁴ petitioners alleged that they, together with their sibling and parents, have been living in the subject properties. They initially rented these places from Patrocinio since the early 1960s when the area was still a sugar plantation. They moved there on invitation of Patrocinio who treated Victoriano Turla, petitioners' father, like a brother. Prior to 1983, the parcels of land were being sold by Patrocinio and offered the same to Victoriano who agreed to buy the same. Several negotiations were had until an agreement was reached embodied in the Conditional Sale.

Petitioners countered that they complied with the terms of the Conditional Sale dated November 11, 1983. Several payments were made until it reached ₱80,000.00 covering the dates November 11, 1983 to December 17, 1984. By virtue of the SPA executed by Patrocinio in favor of Spouses Ricardo and Myrna Turla, they were able to obtain a loan from PNB in the amount of ₱500,000.00 secured by the three parcels of land. However, Patrocinio did not immediately accept the payment telling them that he will just get it from them later. Petitioners later found out that respondents had been quarrelling with their father, Patrocinio, regarding the sale of the properties. But respondents were not able to convince their father to cancel the sale or increase the purchase price. On January 11, 1991, Patrocinio went to the house of the Turla's and received the balance of the purchase price. Thereafter, an Absolute Deed of Sale (Exh. "20")¹⁵ was prepared and notarized before notary public, Atty. Eric V. Mendoza. Because of the threatened foreclosure of the properties, it was Rosalinda Turla who fully paid for the bank loan. Spouses Ricardo and Myrna Turla then transferred ownership of the said properties to Rosalinda. To avoid having to pay for capital gains taxes twice, the Absolute Deed of Sale was sent back to Atty. Eric V. Mendoza and the same was amended to show that Rosalinda bought the property.

¹² Id. at 67-69.

¹³ Id. at 69-71.

¹⁴ Id. at 85-97.

¹⁵ Id. at 124-125.

As for the other Deeds of Sale allegedly executed between Patrocinio and Rosalinda in 1979 and 1991, petitioners claim ignorance and deny executing the same. They, however, speculate that Josie Tanhueco, the person they engaged to cause the transfer of the titles from Patronicio to Rosalinda, might be responsible for these dubious documents. In 1996, Rosalinda obtained all the Deed of Sale, land title, release of real estate mortgage, BIR 1701-E/A, BIR Form No. 2391 and certified true copy of receipt for transfer tax payment. All of these were given to Josie Tanhueco. Rosalinda, being only an elementary graduate, was not knowledgeable about the process for such transfer. It was only when respondents complained in the Barangay that Rosalinda knew for the first time that Josie Tanhueco did not use the papers given but caused the preparation of other papers without the consent or knowledge of petitioners. Thus, the third-party complaint against her.

Although the documents submitted by Josie Tanhueco are spurious, petitioners claimed that these do not affect the fact that Patrocinio had legally sold the properties to petitioners in good faith and for value. The TCTs issued in the name of Rosalinda cannot now be cancelled.

Ruling of the Regional Trial Court

On May 28, 2009, the RTC granted respondents' complaint. The dispositive portion of the Decision¹⁶ reads:

WHEREFORE, in view of the foregoing disquisition, judgment is hereby rendered in favor of the plaintiffs and against defendants, as follows:

1. Declaring the Deeds of Sale dated August 17, 1979 and January 11, 1991 purportedly executed by Patrocinio Dayrit in favor of defendant Rosalinda Turla as NULL and VOID and consequently Transfer Certificates of Title Nos. 104129 and 104130 of the Registry of Deeds of Angeles City registered in the name of Rosalinda Turla are declared NULL and VOID;
2. Declaring the Deed of Sale dated January 11, 1991 purportedly executed by Patronicio Dayrit in favor of Ricardo Turla as NULL and VOID;
3. Ordering the Register of Deeds of Angeles City to REINSTATE upon finality of this Decision, Transfer Certificate of Title Nos. 40956 and 40967 in the name of Patrocinio Dayrit married to Rita Mina Dayrit;
4. Ordering the defendants to pay plaintiffs the amount of P30,000.00 as reasonable attorney's fees and P1,000.00 per court appearance;

¹⁶ Penned by Presiding Judge Philbert I. Iturralde; id. at 132-154.



5. Ordering the defendants to pay exemplary damages in the amount of P10,000.00;

6. Ordering defendants to pay the costs of suit.

Defendants' counter-claim is DISMISSED for being without merit.

SO ORDERED.¹⁷

The RTC ruled that fraud was committed in the transfer of ownership of the subject parcels of land by virtue of the execution of the spurious Deed of Sale dated August 17, 1979 which was the basis for the transfer of ownership from Patrocinio to Rosalinda. Hence, respondents are entitled to the reconveyance of the subject properties in their favor.

Rosalinda testified that she had no knowledge as to the execution of the Deed of Sale dated August 17, 1979 by Patrocinio in her favor in the same manner that Ricardo denied knowledge of the due execution of said Deed of Sale. To evade culpability, petitioners point their fingers to one Josie Tanhueco who allegedly worked on the transfer of ownership of the subject parcels of land. She was not even presented in court to testify and confirm the veracity of the testimony of Rosalinda that it was her who caused the preparation and execution of the questioned documents.

Further, the RTC found that there exists two Deeds of Sale purportedly executed by Patrocinio in favor of: (1) Ricardo (Exh. "20"); and (2) Rosalinda (Exh. "21") on the same date, January 11, 1991, both entered in the Notarial Register of Eric V. Mendoza bearing the same Doc. No. 353, the same Page No. 071; the same Book IX, Series of 1991, and the same signatures of the instrumental witnesses. Hence, the RTC wonders which of the two vendees acquired the subject real properties. Also, there was the absence of conformity of Rita Mina Dayrit, Patronicio's wife, in the questioned Deeds of Sale; hence, Patronicio could not have transferred ownership of the entire real properties to Rosalinda or Ricardo, the subject properties being conjugal properties of the spouses. Likewise, the existence of questionable Deeds of Sale, which the RTC found spurious, fails to prove that the balance of the purchase price in the amount of P267,000.00 had been paid to Patrocinio. What was proven by petitioners was the payment of the downpayment as agreed upon in the Conditional Sale.

Petitioners appealed the Decision to the CA.

Ruling of the Court of Appeals

In its Decision¹⁸ dated August 31, 2012, the CA dismissed petitioners' appeal and affirmed *in toto* the Decision of the RTC. The CA stated that considering that the alleged Deed of Absolute Sale dated August 17, 1979

¹⁷ Id. at 153-154.

¹⁸ Supra note 2.

between Patrocinio and Rosalinda covering the subject properties is inexistent, it is without legal effect and it did not give the Register of Deeds the authority to cancel TCT Nos. 40956 and 40967 and to issue TCT Nos. 104129 and 104130. Necessarily, the new certificates of title in the name of Rosalinda should be cancelled since the properties remain to be registered in the name of Patrocinio. The CA stated that petitioners do not dispute that an inexistent deed of absolute sale was the basis for the issuance of the new certificates of title although they deny any hand in it. Instead, they insist that the new certificates of title were issued pursuant to a Deed of Absolute Sale dated January 11, 1991 between Patrocinio, as seller, and Ricardo, as buyer. But this alleged 1991 Deed of Absolute Sale between Patrocinio and Ricardo was not registered with the Register of Deeds. If this was registered, the new certificates of title should have been under the name of Ricardo, not Rosalinda.

The CA further observed that the 1991 Deed of Absolute Sale between Patrocinio and Ricardo is highly dubious because it is dated similarly with the second Deed of Absolute Sale dated January 11, 1991 allegedly executed between Patrocinio and Rosalinda. Patrocinio could not have sold the same properties to two persons at the same time. In view of the glaring discrepancy, the genuineness and veracity of both Deeds of Absolute Sale are highly suspicious. Thus, the RTC did not err in declaring both documents as fraudulent.

Lastly, the CA ruled that the 1991 Deeds of Absolute Sale (either in favor of Ricardo or Rosalinda) are in conflict with the Conditional Sale dated November 11, 1983 between Patrocinio and Ricardo. Also, there is no proof that the conditions in the Conditional Sale have been fulfilled. The fact of payment was not sufficiently established. As to the proceeds of the loan from PNB, there is no evidence at all that the proceeds were remitted to Patrocinio to satisfy the payment of the purchase price. Petitioners failed to discharge the burden of proving payment. Hence, Patrocinio was and still is the rightful owner of the subject properties.

Petitioners moved for reconsideration but it was denied in the Resolution¹⁹ dated January 31, 2013.

Hence, this Petition for Review on *Certiorari* under Rule 45 filed by petitioners.

Petitioner's Arguments

In the instant petition, petitioners invoke the rule on the presumption of regularity in the execution of public documents. While they raised this issue for the first time in the CA, they claim that the present case posed an exception. Petitioners argue that there is no evidence on record which shows that the notarized Deed of Sale dated January 11, 1991 in favor of Ricardo

¹⁹ Supra note 3.

was not signed by Patrocinio nor is there a showing that the signature of Patrocinio as appearing on the Deed of Sale is falsified. No handwriting expert was obtained. The bare findings of the RTC and the CA in stating that the Deed of Sale dated January 11, 1991 is fraudulent cannot be given credence as the same is based merely on conjectures and surmises and not positive evidence. Absent a showing that the Deed of Sale is forged, the said document enjoys the presumption of regularity and validity.²⁰

In addition, petitioners contend that the Deed of Conditional Sale is valid and binding between the parties. It was duly signed by Patrocinio and his wife, Rita. It was further ratified by the execution of an SPA on November 15, 1983 which was signed by Patrocinio and Rita granting authority in favor of Ricardo to obtain a loan from the bank. Hence, the CA erred in declaring that the Deed of Conditional Sale is inexistent.²¹

Petitioners assert that they have sufficiently established the fact of payment. They claim that it would be illogical for Patrocinio to execute a Deed of Sale if the remaining balance is unpaid by petitioners. Even respondents and their mother, Rita, did not demand any payment from petitioners after the death of Patrocinio on December 16, 1991, and even after the death of Rita on January 23, 1994.²²

The same arguments were invoked by petitioners in their *Reply*²³ and *Memorandum*.²⁴

Respondent's Arguments

Respondents aver that the Court is not a trier of facts. To determine whether the Deed of Sale dated January 11, 1991 in favor of Ricardo is fraudulent is a question of fact.²⁵

Respondents argue that the presumption of regularity is not conclusive as it is merely *prima facie*. This presumption cannot be relied upon because the genuineness and due execution of the document is itself being questioned. This presumption was rebutted when respondents presented clear and convincing evidence that the Deed of Sale dated January 11, 1991 between Patrocinio and Ricardo was a forgery.²⁶ Likewise, the Deed of Sale dated August 17, 1979 between Patrocinio and Rosalinda and the other deeds are void for being forgeries. There is no need to present handwriting expert considering that the forgery of Patrocinio's signature is obvious from the face of the documents. Further, mere comparison of the purported signatures of Patrocinio's with his sample signatures appearing on authentic

²⁰ *Rollo*, pp. 16-19.

²¹ *Id.* at 19-21.

²² *Id.* at 21-23.

²³ *Id.* at 235-240.

²⁴ *Id.* at 297-319.

²⁵ *Id.* at 172-173.

²⁶ *Id.* at 171-172.

and official documents, which petitioners never contested during the proceedings before the RTC, shows forgery.²⁷

Respondents claim that fraud is obvious from the multiple and conflicting deeds of sale between the same parties and properties, wherein all the signatures of Patrocinio appearing therein were all forgeries. This shows evident bad faith on the part of petitioners in trying to conceal how they illegally obtained title over the subject properties.²⁸

Respondents aver that the CA never ruled that the Deed of Conditional Sale was inexistent. On the contrary, the CA recognized the existence of said deed but declared that petitioners failed to prove the fact of payment. The alleged receipts (Exhs. "3" to "14") presented by petitioners amounted to only ₱80,000.00 inclusive of the ₱20,000.00 down payment, which is a far cry from the ₱317,000.00 purchase price. Petitioners failed to present proof of full payment.²⁹

The above arguments were reiterated in respondents' *Memorandum*.³⁰

Issues

I. The Honorable Court of Appeals Committed Grave Abuse of Discretion Amounting to Lack and/or Excess of Jurisdiction When It Declared that the Rule on Presumption of Regularity in the Execution of Public Documents Cannot be Invoked Before the Court of Appeals.

II. The Honorable Court of Appeals Committed Grave Abuse of Discretion Amounting to Lack and/or Excess of Jurisdiction in Declaring that a Duly Signed and Notarized Deed of Conditional Sale of Patrocinio Dayrit on November 11, 1983 which was Subsequently Ratified by his Wife, Rita Mina Dayrit, on November 15, 1983, is Inexistent.

III. The Honorable Court of Appeals Committed Grave Abuse of Discretion Amounting to Lack and/or Excess of Jurisdiction When It Failed to Give Weight to the Execution of the Deed of Absolute Sale which is Tantamount to a Full Payment of the Obligations of the Petitioners.

Ruling of the Court

The petition is meritorious.

²⁷ Id. at 173-176.

²⁸ Id. at 176-181.

²⁹ Id. at 182-185.

³⁰ Id. at 254-276.

In petitions for review under Rule 45, the jurisdiction of this Court is limited to reviewing questions of law which involves no examination of the probative value of the evidence presented by the litigants or any of them. The Supreme Court is not a trier of facts; its function is not to analyze or weigh evidence all over again. Accordingly, findings of fact of the appellate court are generally conclusive on this Court. Nevertheless, jurisprudence has recognized several exceptions. One of which is when the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion. This exception justifies this Court's consideration of the instant petition.³¹

-I-

Both parties admit the existence of the Conditional Sale (Exh. "D")³² dated November 11, 1983 executed by Patrocinio in favor of Ricardo. It involves the two parcels of land subject matter of this case, and a third real property, particularly described as follows:

Transfer Certificate of Title No. 47382

Registry of Deeds of Angeles City

A parcel of land (Lot 2, plan SWO-03-0000002), situated in the barrio of Lourdes (Now Claro M. Recto), City of Angeles, Bounded on the NE., from point 2-4 by the MacArthur Highway on the SE., points 4-5 by the T. Alonzo Street; on the SW., from point 5-6 by Lot 48, Block 15; Psd-3066; and from point 6-1, by Lot 36, Block 15; Psd-3066; and on the NW., from point 1-2 by Mactan Street. x x x containing an area of ONE HUNDRED AND EIGHTY TWO (182) SQUARE METERS, more or less. x x x

Transfer Certificate of Title No. 40867

Registry of Deeds of Angeles City

Un terreno (Lote No. 48, Block No. 15, del plano de subdivision Psd-3066, parte del Lote No. 590 de la medicion cadastral de Angeles GLRC Cad. Rec. No. 124), situado en el barrio de Lourdes, municipio de Angeles, provincial de la Pampanga. Linda por el NE., con una calle, por el SE., con el Lote No. 73, Block No. 15 plano de subdivision; por el SO, con el Lote No. 47, Block No. 15 del plano de subdivision, y por el NO, con el Lote No. 36, Block No. 15 del plano de subdivision; x x x midiendo una extension superficial DE CIENTO OCHENTA Y TRES METROS CUADRADOS (183), mas o menos, x x x"

³¹ *UCPB General Insurance Co., Inc. v. Asgard Corrugated Box Manufacturing Corp.*, G.R. No. 244407, January 26, 2021.

³² *Rollo*, pp. 79-80.

Transfer Certificate of Title No. 40956Registry of Deeds of Angeles City

Un terreno (Lote No. 36, Block No. 15, del plano de subdivision Psd-3066, parte del Lote No. 590 de la medicion cadastral de Angeles GLRC Cad. Rec. No. 124), situado en el barrio de Lourdes, municipio de Angeles, provincial de la Pampanga. Linda por el NE., con una calle, por el SE., con el Lote No. 48, Block No. 15 del plano de subdivision; por el SO, con el Lote No. 35, Block No. 15 del plano de subdivision, y por el NO, con el Lote No. 72, Block No. 15 del plano de subdivision; x x x midiendo una extension superficial de DOS CIENTOS METROS CUANTO DOCE METRSO CUADRADOS (212) mas o menos, x x x³³

Under the Conditional Sale, Patrocinio offered to sell to Ricardo the three parcels of land for the price of ₱317,000.00. It provides for a down payment of ₱50,000.00, the amount of ₱20,000.00 having been paid by Ricardo. The balance of ₱267,000.00 shall be paid by Ricardo upon the release of his loan from the DBP or any other banking institution. It also provides that the down payment of ₱20,000.00 shall be forfeited in favor of Patrocinio if Ricardo backs out for whatever reason or the loan was disapproved or he is no longer interested or the loan is discontinued. To facilitate the loan, a special power of attorney (SPA) was executed by Patrocinio, in favor of Ricardo and his wife, Myrna Turla. The SPA was annotated in TCT No. 40956 and TCT No. 40967 as Entry No. 1508.³⁴ Spouses Turla were able to apply for a housing loan with the Philippine National Bank (PNB) in the amount of ₱500,000.00. A real estate mortgage was constituted on the two properties covered by TCT No. 40956 and TCT No. 40967 which were duly recorded on the titles and annotated as Entry No. 1509.³⁵ In June 1996, the mortgages were released, per entry No. 8087.³⁶

Respondents claim that Ricardo failed to comply with the terms and conditions of the Conditional Sale. Petitioners refuted the same by presenting receipts covering the dates November 11, 1983 to December 17, 1984 proving payments. Likewise, petitioners claimed that the proceeds of the loan were remitted to Patrocinio to satisfy the payment of the purchase price. Having paid in full, a Deed of Absolute Sale dated January 11, 1991 (Exh. "20")³⁷ was executed by Patrocinio in favor of Ricardo and notarized before Notary Public Eric V. Mendoza.

The Court reasonably concludes that the purchase price of ₱317,000.00 as stated in the Deed of Sale dated January 11, 1991 by Patrocinio in favor of Ricardo, which same amount was stated in the Conditional Sale, was satisfied by Ricardo. It is stated in the Deed that

³³ Id.

³⁴ Id. at 75 and 77.

³⁵ Id. at 76 and 78.

³⁶ Id.

³⁷ Id. at 190-191.

Patrocinio fully acknowledged receipt of the amount of ₱317,000.00 as paid and handed to him by Ricardo. The Court cannot interpret it any other way.

Further, it is to be noted that the receipts (Exhs. “3” to “14”)³⁸ submitted by petitioners were received by Roman David, the real estate agent of Patrocinio.³⁹ This Roman David also received the amount of ₱20,000.00 as partial payment in the Conditional Sale.⁴⁰ The admission of respondents of receipt of the ₱20,000.00 partial payment evidently shows that Roman David was authorized to receive payments on behalf of Patrocinio. Also, these receipts bore the *conforme* of Patrocinio. These receipts have a total amount of ₱60,000.00. Adding up the ₱20,000.00 partial payment, the receipts presented have a total of ₱80,000.00.

As to the balance of the purchase price, the Court believes that it was given to Patrocinio; thus, the execution of the Deed of Absolute Sale dated January 11, 1991 (Exh. “20”) involving the three properties above-described. Whether it was given to Patrocinio when he went to the house of the Turla’s or it was delivered to Patrocinio at his office, these conflicting statements will not disprove the fact of payment. As claimed by petitioners, the Deed of Sale is a receipt in itself. This notarized Deed of Absolute Sale dated January 11, 1991 (Exh. “20”) was a perfected contract of sale over the three parcels of land and validly transferred ownership of the lands from Patrocinio to Ricardo.

As between the seller and the buyer, the transfer of ownership takes effect upon the execution of a public instrument covering the real property.⁴¹ As provided in Article 1458⁴² of the New Civil Code, when the sale is made through a public instrument, the execution thereof is equivalent to the delivery of the thing which is the object of the contract, unless the contrary appears or can be inferred.⁴³ Besides, petitioners had been in possession of these lands since the early 1960s when their family moved therein through the invitation of Patrocinio, who treated Victoriano Turla, petitioners’ father, like a brother.⁴⁴

Consequently, the ownership of the three parcels of land had been transferred from Patrocinio to Ricardo upon the execution of the Deed of Absolute Sale in January 11, 1991 (Exh. “20”), further considering the possession and occupation thereof of petitioners’ family even prior to the sale.

³⁸ Id. at 101-112.

³⁹ In the Receipts, Roman David is the Manager of D.M. General Services.

⁴⁰ *Rollo*, p. 99.

⁴¹ *Heirs of Mascuñana v. Court of Appeals*, 499 Phil. 793, 807-808 (2005).

⁴² Article 1458. By the contract of sale one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to pay therefor a price certain in money or its equivalent.

⁴³ *Supra* note 41.

⁴⁴ *Rollo*, p. 90.

-II-

Contrary to the RTC and CA ruling, the Court cannot logically conclude that the Deed of Absolute Sale dated January 11, 1991 (Exh. "20") by Patrocinio in favor of Ricardo is highly dubious because it is dated similarly with the second Deed of Absolute Sale dated January 11, 1991 (Exh. "F")⁴⁵ allegedly executed by Patrocinio in favor of Rosalinda.

After a painstaking examination of the documents attached to the petition, the Court recognizes the validity of the Deed of Absolute Sale dated January 11, 1991 (Exh. "20") executed by Patrocinio in favor of Ricardo, and notarized by Notary Public, Eric V. Mendoza. A careful comparison with the naked eye of the signature of Patrocinio appearing in the Deed of Absolute Sale dated January 11, 1991 (Exh. "20") in favor of Ricardo to the sample genuine signatures of Patrocinio submitted by respondents, specifically the signatures in his Passport (Exh "P")⁴⁶ and in his Social Security I.D.⁴⁷ shows similarity of these two signatures of Patrocinio and that they were written by one and the same hand. While there may be slight dissimilarities, these appear to be natural and inevitable variations that may be expected even in genuine signatures made by one and the same person.

The execution of another Deed of Sale dated January 11, 1991 (Exh. "F") by Patrocinio in favor of Rosalinda is denied by petitioners. The same way that they denied knowledge of the execution of the Deed of Sale dated August 17, 1979 (Exh. "E")⁴⁸ by Patrocinio in favor of Rosalinda which was the basis for the issuance of the TCTs of Rosalinda. Even the Court considers these two Deeds fraudulent not only because of the dissimilarity of the signatures of Patrocinio in both documents upon visual comparison from his genuine signatures, but also because these two Deeds have the same Residence Certificate No. of Patrocinio. In these two Deeds dated January 11, 1991 (Exh. "F") and August 17, 1979 (Exh. "E"), the Residence Certificate No. of Patrocinio is 11196187 issued on February 16, 1979, and the other one was issued on February 16, 1991, both notarized by Notary Public Felipe A. Abrajano. Indeed, the Court is certain that these two Deeds dated January 11, 1991 (Exh. "F") and August 17, 1979 (Exh. "E") were forged.

What petitioners admit to have been executed was the Absolute Deed of Sale dated June 22, 1996 (Exh. "21")⁴⁹ by Ricardo, with the marital consent of Myrna, in favor of Rosalinda, her sister, selling, transferring and conveying unto the latter the three parcels of land covered by TCT Nos. 84813, 40867, and 40956. It should be noted that it was Rosalinda who paid in full the loan obligation of Spouses Turla with PNB, resulting in the

⁴⁵ Id. at 189.

⁴⁶ Id. at 206.

⁴⁷ Id. at 208.

⁴⁸ Id. at 82.

⁴⁹ Id. at 192-193.



release of the mortgaged properties on June 20, 1996. Hence, Spouses Turla transferred ownership over these properties in the name of Rosalinda.⁵⁰

Petitioners blame one Josie Tanhueco to whom they gave the documents for the transfer of ownership of the subject properties. In the acknowledgment receipt (Exh. "24")⁵¹ dated October 25, 1996 submitted by petitioners, it can be seen that Josie Tanhueco received the original copies of the following: (1) Deed of Sale; (2) Land title (two copies); (3) Release of Real Estate Mortgage; (4) BIR Form 1701 E/A; (5) BIR form 2319 A; and (6) Certified true copy of OR for transfer of tax paid. In her testimony, Rosalinda stated that the Deeds of Sale given to Josie Tanhueco were the Deed of Sale dated January 11, 1991 between Patrocinio and Ricardo (Exh. "20") and the Deed of Sale dated June 22, 1996 between Ricardo and Rosalinda (Exh. 21"). Even Patrocinio's TCTs were given to petitioners,⁵² which Rosalinda gave to Josie Tanhueco.

It is not far-fetched that it was this Jose Tanhueco who executed these fake Deeds dated January 11, 1991 and August 17, 1979 to expedite and facilitate the transfer of the title from Patrocinio to Rosalinda. Not knowledgeable of the process for the transfer of title, being only high school graduate at the age of 21,⁵³ Rosalinda entrusted to Josie Tanhueco these documents. Rosalinda testified that she does not know as to how and when the documents alluded to as fake by respondents were executed.

The Court observes that what was annotated in TCT Nos. 40956 and 40967 was the sale dated August 17, 1979 (Entry No. 2847)⁵⁴ which was inscribed on October 30, 1996 at 11:00 a.m., a date so near the time when the papers were given to Josie Tanhueco on October 25, 1996. Further, the consideration stated in said Deed dated August 17, 1979 is ₱30,000.00. However, in the application for capital gains tax return (BIR Form 1701 E/A), which was one of the papers given by Rosalinda to Josie Tanhueco, the selling price stated therein was ₱317,000.00 similar to the consideration stated in the Deed of Sale dated June 22, 1996. The assertion of petitioners that it was Josie Tanhueco who prepared these fake deeds cannot, therefore, be casually ignored by the Court.

Yet, while there is a flaw in the TCTs of Rosalinda, with fake deeds used to facilitate the issuance of the titles in her name, this is a matter between Ricardo and Rosalinda. **The fact remains that the parcels of land subject matter of the case had been validly transferred to Ricardo by Patrocinio as evidenced by the Deed of Sale date January 11, 1991 (Exh. 20"), which the Court found to be genuine and duly executed by Patrocinio and Ricardo.** Ownership of these lands had been passed on to Ricardo as early as 1991. Ricardo, as the new owner, can validly sell the

⁵⁰ Id. at 92.

⁵¹ Id. at 131.

⁵² Id. at 305.

⁵³ Id. at 144.

⁵⁴ Id. at 76, 78.



same to his sister, Rosalinda. It is for this reason that the Court cannot nullify the subject deeds and give back the properties to Patrocinio.

-III-

The RTC ruled that Patrocinio cannot validly transfer ownership of the entire property without the knowledge and consent of his wife, Rita Mina Dayrit, as there is no showing that the entire property is the exclusive property of Patrocinio. Thus, the share of the latter is excluded from the sale between Patrocinio and Ricardo.

In the very recent case of *Spouses Cueno v. Spouses Bautista*,⁵⁵ the Court settled the recurring conflict on the proper characterization of a transfer of conjugal property entered into without a wife's consent as merely **voidable** and not void.⁵⁶ The Court abandoned all cases contrary thereto and held that the prevailing and correct rule is that "a sale that fails comply with Article 166 is not "void" but merely "voidable" in accordance with Article 173 of the Civil Code."⁵⁷ Unlike void contracts, voidable or annulable contracts, before they are set aside, are existent, valid, binding and are effective and are obligatory between the parties.⁵⁸ They may be ratified and the action to annul the same may be barred by prescription.⁵⁹

The Court further explained in *Spouses Cueno* that Article 173⁶⁰ is explicit that the action for the annulment of a contract involving conjugal real property entered into by a husband without the wife's consent must be brought: (1) by the wife; (2) during the marriage; and (3) within ten years from the questioned transaction.⁶¹

Citing the case of *Bravo-Guerrero v. Bravo*,⁶² the Court also stated in *Spouses Cueno* that "[u]nder the Civil Code, only the wife can ask to annul a contract that disposes of conjugal real property without her consent. The wife must file the action for annulment during the marriage and within ten years from the questioned transaction."⁶³

⁵⁵ G.R. No. 246445, March 2, 2021.

⁵⁶ Id.

⁵⁷ Id.

⁵⁸ Id.

⁵⁹ Id.

⁶⁰ Article 173. The wife may, during the marriage, and within ten years from the transaction questioned, ask the courts for the annulment of any contract of the husband entered into without her consent, when such consent is required, or any act or contract of the husband which tends to defraud her or impair her interest in the conjugal partnership property. Should the wife fail to exercise this right, she or her heirs, after the dissolution of the marriage, may demand the value of property fraudulently alienated by the husband.

⁶¹ Supra note 55.

⁶² 503 Phil. 220 (2005).

⁶³ Supra note 55, citing *Bravo-Guerrero v. Bravo*, supra note 62 at 231.



The subject lands are conjugal real properties of Spouses Patrocinio and Rita Dayrit. The TCTs were issued in 1975 in the name of Patrocinio N. Dayrit, married to Rita R. Mina. Under Article 166⁶⁴ of the New Civil Code, the alienation or encumbrance of a conjugal real property requires the consent of the wife. The absence in this case of the consent of Rita in the subject Deed of Sale dated January 11, 1991 (Exh. "20") executed by Patrocinio in favor of Ricardo rendered the transaction voidable. However, there is no showing that Rita, during the marriage and within ten years from the execution of the deed, brought an action for the annulment of the Deed of Sale entered into by Patrocinio without her consent, as provided under Article 173 of the Civil Code which states:

Article 173. The wife may, during the marriage, and within ten years from the transaction questioned, ask the courts for the annulment of any contract of the husband entered into without her consent, when such consent is required, or any act or contract of the husband which tends to defraud her or impair her interest in the conjugal partnership property. Should the wife fail to exercise this right, she or her heirs, after the dissolution of the marriage, may demand the value of property fraudulently alienated by the husband.

More so, their marriage had been dissolved upon the death of Patrocinio on December 16, 1991. Not having been annulled, the Deed of Sale dated January 11, 1991 in favor of Ricardo is valid and binding.

Respondents, as heirs, are not the parties who can invoke Article 166, as what they did here when they filed the complaint to nullify the subject Deeds. Article 173 reserves that remedy to the wife alone. Only Rita had the right to have the sale of the properties annulled on the ground that Patrocinio sold the properties without her consent.

Respondents can only demand for the value of the property provided they prove that their father, Patrocinio, fraudulently alienated the subject lands. As explained by renowned civilist, Professor Arturo M. Tolentino:

The remedy given to the wife or her heirs by the last part of this article (Article 173), to ask the value of the property, applies only to *fraudulent* alienations, which cannot include onerous alienations in which the partnership received the corresponding consideration. If the consideration is an equivalent value of the property alienated, there is no prejudice suffered by the wife; and even if the husband, misled as to the true value of the property, or the circumstances of a transaction, sells for less than a just price, or makes an unfortunate investment, there would be no fraud. **Transactions for value**



⁶⁴ Article 166. Unless the wife has been declared a *non compos mentis* or a spendthrift, or is under civil interdiction or is confined in a leprosarium, the husband cannot alienate or encumber any real property of the conjugal partnership without the wife's consent. If she refuses unreasonably to give her consent, the court may compel her to grant the same.

considerations, therefore, cannot be considered as in fraud of the wife, even if made without her consent, and she may not demand its value after the dissolution of the conjugal partnership.

The fraudulent or prejudicial dispositions made by the husband, which are subject to attack by the wife under this article, require two elements: (1) prejudice to the wife, for without this she cannot be conceived to have any interest, and (2) fraud or bad faith on the part of the husband, or an intent on his part to cause damage to the wife, whoever be the person benefited.”⁶⁵ (Emphasis supplied.)

In this case, Patrocinio had been vocal and open with his intent to sell the subject lands to petitioners starting from the time that they executed the Conditional Sale. There was consideration for the sale which was paid by Ricardo and duly acknowledged to have been received by Patrocinio stated in the Deed of Sale. There being valuable consideration for the transfer, the sale cannot be considered as in fraud of Rita, even if made without her consent. Further, Rita knew about this sale. In executing the Deed of Sale dated January 11, 2021, Ricardo had the right to rely that Rita consented to the sale of the subject lands, although Rita did not affix her signature in the Deed. Respondents were also aware of the sale. They knew of their father’s plan to sell the subject lands to the Turlas. They cannot thus claim that their father fraudulently alienated the subject lands.

-IV-

In sum, the Court so holds that the Deed of Sale dated January 11, 1991 (Exh. “20”) executed by Patrocinio in favor of Ricardo as valid and binding. The parcels of land subject matter of said deed had been legally transferred and ownership thereof had been vested with Ricardo.

Respondents, as heirs, are bound by the Deed of Sale executed by their father in favor of Ricardo. Under the principle of relativity of contracts provided in Article 1311⁶⁶ of the Civil Code, contracts take effect only between the parties, their assigns and heirs. Heirs are bound by contracts entered into by their predecessors-in-interest.⁶⁷ Respondents cannot now assail the contracts entered into by their father, more so since during the lifetime of Patrocinio, he never brought any action to nullify the sale.

Petitioners had been occupying the premises for a very long time. It has been petitioners’ residence since the 1960s. Respondents are aware of the possession of petitioners over the land. Respondents, the children of the

⁶⁵ Tolentino, Arturo M., Commentaries and Jurisprudence on the Civil Code of the Philippines, Volume One, 1968 Ed., p. 425, citing 9 Manresa 661.

⁶⁶ Article 1311. Contracts take effect only between the parties, their assigns and heirs, except in case where the rights and obligations arising from the contract are not transmissible by their nature, or by stipulation or by provision of law. The heir is not liable beyond the value of the property he received from the decedent. x x x

⁶⁷ *Naranja v. Court of Appeals*, 603 Phil. 779, 790 (2009).

late Patrocinio, took the opportunity to file this case only after the death of their father whose lips are now sealed to defend or contest the documents he executed. Respondents should respect the contract entered into by their father.

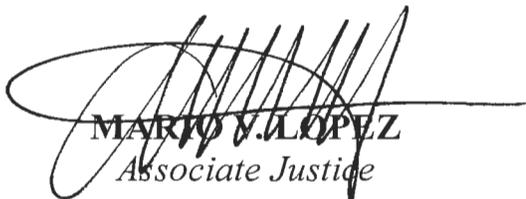
WHEREFORE, premises considered, the instant petition is **GRANTED**. The Decision dated August 31, 2012 and the Resolution dated January 31, 2013 of the Court of Appeals in CA-G.R. CV No. 94151 are **SET ASIDE**. The complaint for Declaration of Nullity of Deeds of Sale of 1979 and 1991; Declaration of Nullity of TCT Nos. 104129 and 104130; and Damages in Civil Case No. 8899 are hereby **DISMISSED** for lack of merit.

SO ORDERED.


ROSMARI D. CARANDANG
Associate Justice

WE CONCUR:


MARVIC MARIO VICTOR F. LEONEN
Associate Justice


MARIO V. LOPEZ
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JAPAR B. DIMAAMPAO
Associate Justice

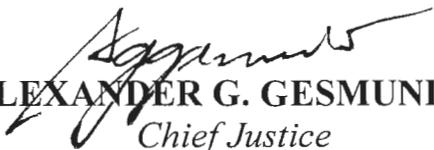
ATTESTATION

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.


MARVIC MARIO VICTOR F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the 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