

THIRD DIVISION

[G.R. No. 233681, February 03, 2021]

MA. KRISTEL B. AGUIRRE, PETITIONER; VS. CRISTINA B. BOMBAES, RESPONDENT.

DECISION

INTING, J.:

For the Court's consideration is the Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court assailing the Amended Decision^[2] dated January 20, 2017 and the Resolution^[3] dated June 30, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 04775.

The Antecedents

This case involves a parcel of land denominated as Lot No. 782 located in Roxas City which was previously covered by Transfer Certificate of Title (TCT) No. T-41765 under the name of Cristina B. Bombaes (respondent).^[4]

On March 17, 2008, respondent mortgaged Lot No. 782 to a certain Vicente Atlas Catalan (Catalan) to secure a loan in the amount of P1,350,000.00 with 5% monthly interest payable on September 24, 2008. Respondent, however, defaulted in the payment of her loan obligation when it fell due. Consequently, the parties executed a Deed of Absolute Sale dated October 19, 2009 over the subject lot in Catalan's favor.^[5] On November 26, 2009, title to the property was accordingly transferred in Catalan's name under TCT No. T-58922.^[6]

On April 9, 2010, Ma. Kristel B. Aguirre (petitioner) offered to purchase Lot No. 782 from Catalan. Catalan readily agreed and thereafter executed a Deed of Conditional Sale on the same day. Later, the parties entered into a Deed of Absolute Sale dated May 4, 2010 upon petitioner's full payment of the purchase price.^[7] Notably, the subject lot is now registered under TCT No. 097-2010000326 in petitioner's name.^[8]

This prompted respondent to file a complaint for quieting of title against Catalan and petitioner before Branch 15, Regional Trial Court (RTC), Roxas City.

Respondent alleged that Catalan coerced her to sign a simulated Deed of Absolute Sale over the subject property in his favor when she failed to settle her loan obligation. She claimed that the real purpose of the simulated sale was for Catalan to mortgage the subject lot to a lending institution and apply the proceeds thereof to her unpaid loan obligation. As proof of their true intention, she and Catalan executed a deed of assignment, which guaranteed her right to redeem the property. However, instead of mortgaging the subject lot, Catalan sold the property to

petitioner.^[9]

For his part, Catalan averred that when respondent failed to pay her outstanding debt, he told the latter that he might sell, *or* mortgage the subject lot to a lending institution as he needed the money to campaign for the position of Mayor in Maayon, Capiz. He and respondent then executed a deed of assignment so that the latter would be able to redeem the subject lot should he decide to mortgage the property to a lending institution. Catalan further pointed out that aside from the Deed of Absolute Sale dated October 19, 2009, respondent also signed an acknowledgment receipt and a deed of confirmation of the sale of the subject lot to him.^[10]

As for petitioner, she contended that when she entered into the Deed of Conditional Sale dated April 9, 2010 with Catalan, she had no prior notice that some other persons had a right, or interest over the subject lot. Thus, petitioner asserted that she was an innocent purchaser for value having relied on Catalan's clean title over the property at the time of execution of the Deed of Absolute Sale dated May 4, 2010. Consequently, respondent had no cause of action against her.^[11]

Ruling of the RTC

In a Decision^[12] dated October 24, 2012, the RTC dismissed the Complaint for lack of merit and awarded moral damages to Catalan in the amount of P100,000.00.^[13]

The RTC found the Deed of Absolute Sale dated October 19, 2009 valid and binding between respondent and Catalan in the absence of proof of fraud, or vitiation of consent in its execution.^[14] It noted, too, that the Deed of Absolute Sale was a notarized document which generally enjoyed the presumption of regularity and validity.^[15]

Moreover, the RTC ruled that petitioner was a buyer in good faith and for value given that Catalan was already the owner of the subject lot when she purchased the property as evidenced by TCT No. T-58922 which, as it turned out, had no adverse claim, or any *lis pendens* annotated thereon at the time of the sale.^[16]

Aggrieved, respondent appealed before the CA.

Ruling of the CA

In its Decision^[17] dated May 31, 2016, the CA affirmed the RTC Decision with modification in that it deleted the moral damages awarded to Catalan for lack of sufficient basis.^[18] It agreed with the RTC that petitioner was an innocent purchaser in good faith considering that: *first*, respondent failed to show that petitioner had actual knowledge of her ownership and possession of the subject lot at the time of the sale; and *second*, petitioner merely relied on the correctness of Catalan's title over the property.^[19] The dispositive portion of the CA Decision reads as follows:

WHEREFORE, Plaintiff-Appellant Bombaes' appeal is DENIED. The Decision issued by the Regional Trial Court of Roxas City dated October 24, 2012, denying Bombaes' Complaint, is MODIFIED to the effect that

the moral damages awarded to Defendant-Appellee Catalan of PHP 100,000.00 is deleted.

SO ORDERED.^[20]

Respondent thereafter filed her Motion for Reconsideration^[21] with the CA, reiterating her contentions that the Deed of Absolute Sale dated October 19, 2009 was void and that petitioner was not an innocent buyer in good faith.^[22]

In-its Amended Decision^[23] dated January 20, 2017, the CA reversed its earlier ruling and declared the Deed of Absolute Sale dated October 19, 2009 between respondent and Catalan void for being absolutely simulated,^[24] It explained that:

In light of the factual milieu here, [w]e are convinced, and so hold, that the questioned Deed of Absolute Sale was only for the purpose of letting Catalan mortgage the property to a third-party institution and get his money back. Their arrangement was only temporary and could not give rise to a valid sale.^[25]

The CA further ruled that petitioner was not a buyer in good faith, *viz.*:

On April 9, 2010, Catalan and [petitioner] executed a Deed of Conditional Sale between them.

On May 4, 2010, both executed a Deed of Absolute Sale.

On May 12, 2010, [respondent] had an adverse claim annotated on the title of the property.

On July 21, 2010, Catalan had the sale of the property registered on the title.

x x x x

The entry on May 12, 2010 is sufficient notice to all persons, including [petitioner], that the land is already under an adverse claim. The earlier registration of adverse claim already binds the land insofar as third persons are concerned. The fact that the deed of absolute sale was dated May 4, 2010 is of no moment with regard to third persons.^[26]

Petitioner moved for reconsideration,^[27] but the CA denied the motion in its Resolution^[28] dated June 30, 2017. As a result, petitioner filed the- present Petition for Review on Certiorari before the Court assailing the Amended Decision and the Resolution of the CA.

The Issues

Petitioner raises the following issues for the Court's resolution:

First, whether respondent's Motion for Reconsideration of the CA Decision dated May 31, 2016 should have been denied due to belated filing.^[29]

And *second*, whether petitioner was an innocent purchaser in good faith and for value.^[30]

The Court's Ruling

At the outset, it cannot be disputed that respondent's Motion for Reconsideration of the CA Decision dated May 31, 2016 was filed on time.

Section 3, Rule 13 of the Rules of Court provides that "*the date of mailing of motions, pleadings, or any other papers or payments or deposits, as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of their filing, payment, or deposit in court.*"

In this case, it appears that respondent received a copy of the CA Decision on July 8, 2016.^[31] Thus, she had until July 25, 2016 within which to file a motion for reconsideration with the CA given that the last day of the 15-day reglementary period fell on July 23, 2016, a Saturday. Per the records, respondent filed her Motion for Reconsideration *via* registered mail on July 25, 2016, as evidenced by the registry receipt^[32] and the Postmaster's Certification^[33] dated September 26, 2017. Thus, there is no question that the Motion for Reconsideration was timely filed.

This is not to say, however, that the petition is totally bereft of merit. On the contrary, after a careful perusal of the records, the Court deems it necessary to revisit the issue on whether *petitioner was an innocent purchaser in good faith and for value*.

To be clear, questions of fact cannot ordinarily be entertained in a Rule 45 petition where the Court's jurisdiction is limited to reviewing and revising *errors of law* that might have been committed by the lower courts.^[34] Nevertheless, as one of the *exceptions*^[35] to this rule, the Court

may opt to review the factual findings of the CA in a Rule 45 proceeding when it appears that the assailed judgment is based on a *misapprehension of facts*, as in this case.

Petitioner is an innocent purchaser in good faith and for value.

"An innocent purchaser for value is one who buys the property of another without notice that some other person has a right to or interest in it, and who pays a full and fair price at the time of the purchase or before receiving any notice of another person's claim,"^[36] .

As a general rule, every person dealing with registered land, as in this case, may safely rely on the correctness of the certificate of title and the law will not, in any way, oblige him or her to go behind the certificate to determine the condition of the property.^[37] Simply put, when a certificate of title is *clean and free from any encumbrance*, a potential buyer has every right to rely on the correctness of the