

## THIRD DIVISION

[ G.R. No. 237465, October 07, 2019 ]

### **SPOUSES ASUNCION MALIG-CORONEL AND REYNALDO CORONEL, PETITIONERS, VS. CORAZON SOLIS-QUESADA, RESPONDENT.**

#### **DECISION**

##### **PERALTA, J.:**

Before this Court is the petition for review on *certiorari* filed by herein petitioners Spouses Asuncion Malig-Coronel (*Asuncion*) and Reynaldo Coronel (*Reynaldo*) (*the Spouses Coronel*) assailing the Decision<sup>[1]</sup> dated July 11, 2017 and the Resolution<sup>[2]</sup> dated January 22, 2018 of the Court of Appeals (CA) in CA-G.R. CV No. 102775.

The facts are as follows.

The Spouses Coronel filed a complaint for annulment of deeds, cancellation of Transfer Certificate of Title (TCT) , No. 335024, recovery of possession, reconveyance with preliminary injunction and damages against respondent Corazon Solis-Quesada (*Quesada*) on September 1, 2011. They alleged that they are the owners of Lot 9747-C located at San Vicente, Sta. Ignacia, Tarlac City, with an area of one thousand three hundred seventy-nine square meters (1,379 *sq.m.*) (*subject property*) covered by TCT No. 156304. Sometime in 1981, thy permitted Asuncion's aunt Catalina Hernando (*Catalina*) to construct a house on a portion of the subject property, and in turn, the latter will be the caretaker of the property while the spouses attended to their business in Angeles City, Pampanga. They entrusted to Catalina the title and other pertinent documents relating to the property for tax and other legitimate purposes. It was when Catalina became ill and bedridden that her granddaughter Mina M. Delos Reyes (*Delos Reyes*) supposedly obtained TCT No. 156304 and mortgaged the subject property without the spouses' knowledge and consent.<sup>[3]</sup>

Sometime in 2005, they discovered, and subsequently verified with the Register of Deeds of Tarlac that a Deed of Donation, which showed that they donated the property in favor of Delos Reyes, was filed. Consequently, TCT No. 156304 was cancelled and TCT No. 292249 was issued in favor of Delos Reyes.<sup>[4]</sup> Thereafter, Delos Reyes and her husband Rodrigo A. Rodrigo (*Rodrigo*) conveyed the property through a Deed of Absolute Sale dated June 16, 2000 in favor of Quesada. Thus, TCT No. 335024 was issued in the name of Quesada.<sup>[5]</sup> They confronted Delos Reyes about the matter, and the latter promised to return the title to them. However, she died on May 20, 2005, before accomplishing her promise.

The Spouses Coronel denied executing the Deed of Donation and alleged that the same was falsified. The June 16, 2000 Deed of Absolute Sale was also forged since Rodrigo could not have participated in the transaction as he was in Hawaii, United

States of America during that time. They claimed that Delos Reyes and Quesada, who was the live-in partner of the former's brother Marcelino Delos Reyes, colluded in transferring the title of the subject property.

On the other hand, Quesada maintained that she was the owner of the subject property and was, a purchaser in good faith and for value. On May 24, 1995, the Spouses Coronel executed a Deed of Donation in favor of Delos Reyes in consideration of her services, care, and help to Asuncion and her mother. Thereafter, Delos Reyes obtained a loan from the First Provincial Development Bank, and secured the same through mortgage of the property in favor of the bank. The bank foreclosed the property when Delos Reyes failed to pay the loan. Through Quesada's financial assistance, Delos Reyes redeemed the subject property. On June 16, 2000, Delos Reyes executed the Deed of Absolute Sale in her favor.<sup>[6]</sup> To bolster her claim, Quesada presented Reynaldo's letter to the Register of Deeds of Tarlac requesting to annotate on TCT No. 229249 the Right-of-Way granted to them by Delos Reyes, and Delos Reyes' Affidavit granting perpetual road of right-of-way to the Spouses Coronel.

After the Spouses Coronel formally offered their evidence, Quesada filed on March 4, 2014 a Motion to Dismiss on a Demurrer to Evidence contending that they failed to prove their cause of action.

In a Resolution<sup>[7]</sup> dated April 28, 2014, the Regional Trial Court (*RTC*) of Camiling, Tarlac City, Branch 68, granted the motion. The dispositive portion of the Resolution reads:

WHEREFORE, premises considered, the instant demurrer to evidence is hereby Granted. The instant case is hereby Dismissed.

SO ORDERED.<sup>[8]</sup>

According to the *RTC*, the complaint is dismissible on grounds of prescription and insufficiency of evidence to sustain the case. When they filed the complaint on September 1, 2011, more than 10 years has lapsed from the time the property was donated to Delos Reyes in 1995. Other than Asuncion's self-serving testimony, no evidence was presented to corroborate the averment that they were indeed in possession of the subject property from 1980 until 2011. The trial court is also apprehensive of the Spouses Coronel's claim of ownership for it is not normal for someone who lives in the nearby Province of Pampanga to entrust the subject property in Tarlac and its pertinent documents and title to another person. Also, Asuncion admitted that she had an agreement with Delos Reyes about the road right-of-way over the subject property.<sup>[9]</sup> Their mere denial is not sufficient to support the claim of forgery, and overcome the presumption of regularity and due execution of the notarized deed of donation.<sup>[10]</sup>

In the July 11, 2017 Decision, the CA denied the Spouses Coronel's appeal. The CA held that they failed to establish the requisites to warrant reconveyance of the land. Despite persistent claim of ownership, Asuncion confirmed that she had an

agreement with Delos Reyes about the latter granting them a road of right-of-way. An owner does not need the consent of another to pass through his or her own property. The Spouses Coronel presented mere denial, and have failed to demonstrate that their signatures are forged. They offered Rodrigo's testimony and various documents showing his customary signature. However, none of the said documents were issued during the same period when the questioned deed of sale was executed. As such, it was not established with certainty that the signature in the questioned deed was not Rodrigo's. There was no evidence "that Quesada was not an innocent purchaser for, value. Lastly, their cause of action has already prescribed, considering that the action was filed more than 10 years from the issuance of the decree of registration, and there was no proof that they were in actual and continuous possession of the subject property. The *fallo* of the Decision provides:

**WHEREFORE**, premises considered, the **APPEAL is DENIED** and the assailed Decision dated April 28, 2014 of the Regional Trial Court, Branch 68, Camiling, Tarlac, is hereby **AFFIRMED**.

**SO ORDERED.**<sup>[11]</sup>

On January 22, 2018, the CA denied the Motion for Reconsideration filed by the Spouses Coronel. Hence, the instant petition.

The Spouses Coronel raised the following issues:

1. Whether this petition for review before the Honorable Court ALLOWS A REVIEW of the factual findings of the lower courts; and
2. Whether this case presents an exception to the rule on this court's power to review decisions of the Court of Appeals via a petition for review; and if in the affirmative, whether the evidence presented by the petitioners is sufficient to sustain an action for reconveyance.

<sup>[12]</sup>

The Court finds the instant petition devoid of merit.

The Spouses Coronel allege that they have sufficiently established all the elements to warrant the reconveyance of the subject property. They claim absolute ownership over the subject property as evidenced by TCT No. 156304 registered under their names. The registration of the property in Quesada's name was obtained through fraud since the Deed of Sale and the Deed of Donation were absolutely simulated or fictitious. Also, they did not comply with the requirements of Act No. 496, or the *Land Registration Act* which provides that every deed of conveyance shall be signed by the person executing the same in the presence of two witnesses. The deeds cannot be considered as public documents due to the defects therein.

The Spouses Coronel insist that their denial, coupled with the substantial difference

between the alleged forged signatures and their genuine signatures in their pleadings, and the apparent discrepancy between Rodrigo's supposed signature in the deed of sale and his signature samples, are sufficient to establish the forgery. They remained as the true owners since no title was conveyed to Delos Reyes. Quesada is not an innocent purchaser as it was impossible for her, who has close relationship with Delos Reyes, to have no knowledge that the latter was not the true owner of the property. Lastly, they asseverate that the action for reconveyance has not yet prescribed. Asuncion's testimony on the actual and continuous possession is deemed sufficient as it was not rebutted. Moreover, they have other causes of action. They also assert that their action is based on void contracts, which does not prescribe.

At the outset, it bears to emphasize that the RTC has granted the demurrer to evidence filed by Quesada. "A *demurrer to evidence* is defined as 'an objection or exception by one of the parties in an action at law, to the effect that the evidence which his adversary produced is insufficient in point of law (whether true or not) to make out his case or sustain the issue.' The demurrer challenges the sufficiency of the plaintiffs evidence to sustain a verdict. In passing upon the sufficiency of the evidence raised in a demurrer, the court is merely required to ascertain whether there is competent or sufficient proof to sustain the indictment or to support a verdict of guilt."<sup>[13]</sup> In the present petition, this Court is confronted with the issue of whether the spouses were able to produce sufficient evidence before the trial court to make out their case or to sustain a verdict.

An action for reconveyance is a legal and equitable remedy granted to the rightful owner of land which has been wrongfully or erroneously registered in the name of another for the purpose of compelling the latter to transfer or reconvey the land to him. Its aim is to show that the person who secured the registration of the questioned property is not its real owner. In an action for reconveyance, the decree of registration is respected as incontrovertible. What is sought instead is the transfer of the property, which has been wrongfully or erroneously registered in another person's name, to its rightful and legal owner, or to one with a better right.<sup>[14]</sup>

An action for reconveyance is based on Section 53, paragraph 3 of Presidential Decree No. 1529, which reads:

In all cases of registration procured by fraud, the owner may pursue all his legal and equitable remedies against the parties to such fraud without prejudice, however, to the rights of any innocent holder for value of a certificate of title. After the entry of the decree of registration on the original petition or application, any subsequent registration procured by the presentation of a forged duplicate certificate of title, or a forged deed or other instrument, shall be null and void.

This provision should be read in conjunction with Article 1456 of the Civil Code,<sup>[15]</sup> which provides:

Article 1456. If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for

the benefit of the person from whom the property comes.

Correlating the above-mentioned provisions with Article 1144(2)<sup>[16]</sup> of the Civil Code, the prescriptive period for the reconveyance of fraudulently registered real property is ten (10) years reckoned from the date of the issuance of the certificate of title. However, prescription does not commence to run against the party seeking reconveyance based on implied or constructive trust who is in actual, continuous and peaceful possession of the property involved because the action would be in the nature of a suit for quieting of title, an action that is imprescriptible. As long as the land wrongfully registered under the Torrens system is still in the name of the person who caused such registration, an action *in personam* will lie to compel him to reconvey the property to the real owner.<sup>[17]</sup> Additionally, an action for reconveyance based on a void contract, as when there was no consent on the part of the alleged vendor, is imprescriptible.<sup>[18]</sup>

Whether an action for reconveyance prescribes or not is determined by the nature of the action, that is, whether it is founded on a claim of the existence of an implied or constructive trust, or one based on the existence of a void or inexistent contract.<sup>[19]</sup>

The Court finds that, contrary to the spouses' claim, the action for reconveyance is not based on an implied or constructive trust. The spouses alleged in their complaint that the May 24, 1995 Deed of Donation, which became the basis to transfer the title in Delos Reyes' name, was falsified because their signatures therein are forgeries. Also, the June 16, 2000 Deed of Absolute Sale, which then transferred the title in Quesada's name, was also forged since Rodrigo was in Hawaii during that time. These allegations make the action of reconveyance based on void or inexistent contract. As such, the resolution of the issue of prescription hinges on whether the signatures on the deed of donation and the deed of absolute sale were indeed forged, and, thus, render the documents void.

The issue on the forgery of the signatures in the questioned deeds is essentially a question of fact.<sup>[20]</sup> The RTC declared that aside from mere denial, there was no sufficient proof to ascertain the authenticity of spouses' signatures since their allegation is not substantiated by the testimony of a witness familiar with their signatures or an expert witness. There were also no samples of their signatures offered before the court for the latter's independent examination as against the questioned deeds. Subsequently, the CA agreed with the trial court in finding that no forgery was proven through the pieces of evidence presented by the Spouses Coronel.

Settled is the rule that forgery cannot be presumed and must be proved by clear, positive and convincing evidence, thus, the burden of proof lies on the party alleging forgery. One who alleges forgery has the burden to establish his/her case by a preponderance of evidence.<sup>[21]</sup>

To prove the forgery, the spouses offered Asuncion's Judicial Affidavit, the pertinent portion of which reads: