

SECOND DIVISION

[G.R. No. 190901, November 12, 2014]

**AMADA COTONER-ZACARIAS, PETITIONER, VS. SPOUSES
ALFREDO REVILLA AND THE HEIRS OF PAZ REVILLA,
RESPONDENTS.**

D E C I S I O N

LEONEN, J.:

Well-settled is the rule that “conveyances by virtue of a forged signature. . . are void *ab initio* [as] [t]he absence of the essential [requisites] of consent and cause or consideration in these cases rendered the contract inexistent[.]”^[1]

Before us is a petition for review^[2] filed by Amada Cotoner-Zacarias against respondent spouses Alfredo Revilla and Paz Castillo-Revilla, praying that this court render a decision “reversing the Decision of the Regional Trial Court and Court of Appeals and declaring the transfer of title to the Petitioner and then to her successors-in-interest as valid and binding as against the respondents.”^[3]

The Court of Appeals summarized the facts as follows.

Alfredo Revilla and Paz Castillo-Revilla (Revilla spouses) are the owners in fee simple of a 15,000-square-meter unregistered parcel of land in Silang, Cavite, covered by Tax Declaration No. 7971.^[4]

In 1983, the Revilla spouses faced financial difficulties in raising funds for Alfredo Revilla’s travel to Saudi Arabia, so Paz Castillo-Revilla borrowed money from Amada Cotoner-Zacarias (Amada). By way of security, the parties verbally agreed that Amada would take physical possession of the property, cultivate it, then use the earnings from the cultivation to pay the loan and realty taxes.^[5] Upon full payment of the loan, Amada would return the property to the Revilla spouses.^[6]

Unknown to the Revilla spouses, Amada presented a fictitious document entitled “Kasulatan ng Bilihan ng Lupa” before the Provincial Assessor of Cavite. This document was executed on March 19, 1979 with the Revilla spouses as sellers and Amada as buyer of the property.^[7]

Consequently, Tax Declaration No. 7971 in the name of the Revilla spouses was cancelled, and Tax Declaration No. 19773 in the name of Amada was issued.

On August 25, 1984, Amada sold the property to the spouses Adolfo and Elvira Casorla (Casorla spouses) by “Deed of Absolute Sale-Unregistered Land.” Tax Declaration No. 30411-A was later issued in the name of the Casorla spouses.^[8]

In turn, the Casorla spouses executed a deed of absolute sale dated December 16, 1991 in favor of the spouses Rodolfo and Yolanda Sun (Sun spouses). Tax Declaration Nos. 30852-A and 18584 were issued in favor of the Sun spouses.^[9]

In December 1994, Alfredo Revilla returned from Saudi Arabia. He asked Amada why she had not returned their tax declaration considering their full payment of the loan. He then discovered that the property's tax declaration was already in the name of the Sun spouses.^[10]

On February 15, 1995, the Revilla spouses were served a copy of the answer^[11] in the land registration case filed by the Sun spouses for the property.^[12] The Revilla spouses then saw a copy of the "Kasulatan ng Bilihan ng Lupa" and noticed that their signatures as sellers were forged.^[13]

They then demanded the cancellation of the "Kasulatan ng Bilihan ng Lupa" from Amada and all subsequent transfers of the property, its reconveyance, and the restoration of its tax declaration in their name.^[14] Amada failed to take action.

On November 17, 1995, the Revilla spouses filed a complaint before the Tagaytay Regional Trial Court for the annulment of sales and transfers of title and reconveyance of the property with damages against Amada, the Casorla spouses, the Sun spouses, and the Provincial Assessor of Cavite.^[15]

In her answer, Amada denied that the property was used as a security for the Revilla spouses' loan.^[16] Instead, she claimed that the Revilla spouses voluntarily executed the "Kasulatan ng Bilihan ng Lupa" in her favor on March 19, 1979. She added that the Revilla spouses' cause of action already prescribed.^[17]

For their part, the Sun spouses argued good faith belief that Amada was the real owner of the property as Amada showed them a tax declaration in her name and the "Kasulatan ng Bilihan ng Lupa" allegedly executed by the Revilla spouses.^[18] When the Sun spouses discovered there was another sale with the Casorla spouses, they were assured by Amada that she had already bought back the property from the Casorla spouses.^[19] Subsequently, the Casorla spouses executed a deed of absolute sale dated December 16, 1991 in favor of the Sun spouses.^[20] They also argued prescription against the Revilla spouses, and prayed for damages against Amada by way of cross-claim.^[21]

On August 3, 2006, the Regional Trial Court^[22] found the "Kasulatan ng Bilihan ng Lupa" to be a fictitious document, and ruled in favor of the Revilla spouses:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Declaring the sales/transfers from Tax Declaration No. 7971, s. 1980 to Tax Declaration No. 18584, s. 1994 as NULL and VOID, without valid transmission of title and interest from the original owners, plaintiffs herein and consequently, entitling plaintiffs to

reinstatement and reconveyance of their title/tax declaration as well as possession of the subject property;

2. Ordering defendant Zacarias to pay the following:

2.1 To the Plaintiffs:

- a. P50,000.00 for moral damages;
- b. P20,000.00 for exemplary damages; and
- c. P80,000.00 for attorney's fees.

2.2 To Defendant-Spouses Sun:

- a. P467,350.00 for actual damages;
- b. P50,000.00 for moral damages;
- c. P20,000.00 for exemplary damages; and
- d. P100,000.00 for attorney's fees.

SO ORDERED.^[23]

Amada appealed the trial court's decision, while the Sun spouses partially appealed the decision as to interest and damages.

On August 13, 2009, the Court of Appeals^[24] dismissed the appeal of Amada, and partially granted the appeal of the Sun spouses. The dispositive portion reads:

WHEREFORE, in view of the foregoing premises, judgment is hereby rendered by us **DISMISSING** the appeal filed by defendant-appellant Amada C. Zacarias in this case, and **PARTIALLY GRANTING** the appeal filed by the Spouses Rodolfo and Yolanda Sun. The Decision dated August 3, 2006 rendered by Branch 18 of the Regional Trial Court of the Fourth Judicial Region stationed in Tagaytay City, Cavite in Civil Case No. TG-1543 is **MODIFIED** in that defendant-appellant Amada C. Zacarias is ordered to pay interest at 6% per annum on the principal obligation in the amount of P467,350.00 from February 3, 1995, the date of the first judicial demand by the Spouses Sun, until said decision on the principal obligation became final and executory, and interest at 12% per annum on the principal obligation, moral and exemplary damages, as well as attorney's fees, from the time said decision became final and executory until full payment of said amounts.

SO ORDERED.^[25]

The Court of Appeals denied Amada's motion for reconsideration; hence, she filed this petition.

Petitioner argues that the antichresis claim of the Revilla spouses was not reduced into writing, thus, it is void under Article 2134 of the Civil Code.^[26] She submits that the allegation of antichresis was only an excuse by the Revilla spouses for their failure to impugn possession of the property by Amada and her successors-in-interest for over 16 years.^[27]

Petitioner contends that the sale in her favor was established by the "Kasulatan ng Bilihan ng Lupa," the delivery of the tax declaration, and the testimony of one Mrs. Rosita Castillo (Rosita).^[28] Rosita was the second wife of Felimon Castillo, the previous owner of the property. She testified that respondent Paz Castillo-Revilla admitted to her father, Felimon, that she and Alfredo Revilla sold the property to Amada.^[29]

On the alleged forgery, petitioner submits that the court misapplied the principle that "he who alleges not he who denies must prove" when it stated that she had the burden of proving the due execution of the deed of absolute sale. Since the Revilla spouses alleged that the deed was a forged document, they had the burden of proving the forgery.^[30] She then cites the trial court in that "[a]ccordingly, the National Bureau of Investigation was not able to ascertain the genuineness of the signature of plaintiff Paz Revilla because of lack of sufficient sample signatures. . . ."^[31]

On the prescription argument, the parties live in a very small barangay. While Alfredo Revilla worked in Saudi Arabia, he admitted returning to the Philippines twice a year, while his wife never left Silang, Cavite,^[32] and yet the Revilla spouses never questioned the activities on the property for more than 16 years.^[33]

On the proper docket fees, petitioner contends that the Revilla spouses paid docket fees based on their prayer for actual damages of P50,000.00, moral damages of P50,000.00, and attorney's fee of P80,000.00, when they should have based it on P12,000,000.00, the value of the property they alleged in their supplemental pre-trial brief.^[34]

Lastly, petitioner argues that the property is conjugal in nature, but the court never declared that respondent Paz Castillo-Revilla's signature was falsified. Thus, the sale over her half of the property cannot be declared void.^[35] She adds that the Sun spouses are buyers in good faith for value, making reinstatement of the property impossible.^[36]

Respondents Revilla spouses counter that the factual issue of whether the "Kasulatan ng Bilihan ng Lupa" is a falsified document was already conclusively resolved by the lower courts and, generally, factual findings are beyond this court's power of review.^[37]

On the prescription issue, respondents Revilla spouses argue that an action or defense to declare a document null is imprescriptible.^[38] Laches also does not apply since they immediately questioned the fraudulent transfers by filing a complaint in November 1995 upon learning of the questionable documents in February 1995, after Alfredo had returned from Saudi Arabia in December 1994.^[39]

Respondents Revilla spouses contend that they paid the proper docket fees. The P12,000,000.00 mentioned during pre-trial that petitioner insists should have been the basis of the fees was neither stated in the complaint nor awarded by the court.^[40]

Respondents Revilla spouses argue that the court did not err in ordering reinstatement of the property to them. First, the defense that the Sun spouses were buyers in good faith is a personal defense that cannot be raised by petitioner who was not privy to the sale between the Casorla spouses and the Sun spouses.

[41] Second, an alternative prayer for damages cannot be interpreted as an admission that the relief for reinstatement is not viable.[42] Third, the transaction happened prior to the effectivity of the Family Code; thus, Article 172 of the Civil Code applies such that “[t]he wife cannot bind the conjugal partnership without the husband’s consent, except in cases provided by law.”[43] Consequently, the result is the same even if respondent Paz Castillo-Revilla did not testify that the signature is not hers, as she cannot bind the entire property without her husband’s consent.[44] Lastly, no unjust enrichment exists since they were deprived of their property for so long.[45]

The issues for this court’s resolution are as follows:

First, whether respondents Revilla spouses’ cause of action is barred by prescription or laches;

Second, whether the trial court acquired jurisdiction when respondents Revilla spouses paid filing fees based on the P50,000.00 claim for damages in the complaint but stated in their supplemental pre-trial brief that the property is valued at P12,000,000.00; and

Third, whether the Court of Appeals erred in upholding the reinstatement and reconveyance of the property in favor of respondents Revilla spouses.

I.

On the first issue, petitioner argues that respondents Revilla spouses’ claim is barred by laches since they allowed 16 years to lapse, with petitioner having possession of the property, before filing suit.[46]

Laches has been defined as “the failure or neglect, for an unreasonable and unexplained length of time, to do that which — by the exercise of due diligence — could or should have been done earlier.”[47]

The elements that need to be present and proven before an action is considered barred by laches are the following:

The four basic elements of laches are: (1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which complaint is made and for which the complaint seeks a remedy; (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendant’s conduct and having been afforded an opportunity to institute suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right on which he bases his suit; and, (4) injury or prejudice to the defendant