

THIRD DIVISION

[G.R. No. 166516, September 03, 2009]

EMMA VER REYES AND RAMON REYES, PETITIONERS, VS. IRENE MONTEMAYOR AND THE REGISTER OF DEEDS OF CAVITE, RESPONDENTS.

DECISION

CHICO-NAZARIO, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Decision^[1] dated 20 May 2004, rendered by the Court of Appeals in CA-G.R. CV No. 54517, which affirmed the Decision^[2] dated 7 October 1996, of the Regional Trial Court (RTC), Branch 21, of Imus, Cavite, in Civil Case No. 878-94, dismissing the Complaint for Reconveyance of petitioners, spouses Emma Ver-Reyes (Emma) and Ramon Reyes (Ramon), and declaring private respondent Irene Montemayor as the owner of the subject property.

On 18 February 1994, petitioners filed before the RTC a Complaint for Reconveyance^[3] against private respondent and the Register of Deeds of Cavite. The Complaint was docketed as Civil Case No. 878-94. Petitioners alleged in their Complaint that they were the owners of a parcel of land covered by Transfer Certificate of Title (TCT) No. T-58459^[4] situated in Paliparan, Dasmariñas, Cavite (subject property). They bought the subject property from the previous owner, Marciano Cuevas (Marciano), as evidenced by a Deed of Absolute Sale dated 8 October 1976.^[5] Thereafter, Marciano surrendered to petitioners the Owner's Duplicate Copy of TCT No. T-58459. Petitioners accordingly paid the taxes on the sale of the subject property. However, they were unable to register the sale and effect the transfer of the certificate of title to the subject property to their names.

Petitioners claimed that they had consistently paid the real estate taxes on the subject property since their acquisition of the same in 1976 until 1991. In 1993, when they went to the Office of the Register of Deeds of Cavite to pay their real estate taxes for the years 1992 and 1993, they were informed that the subject property was sold by Marciano to private respondent on 10 November 1992, and TCT No. T-369793 covering it was issued in private respondent's name on 4 January 1993.

Petitioners asserted that private respondent was able to cause the issuance of TCT No. T-369793 in her name by presenting a simulated and fictitious Deed of Absolute Sale dated 10 November 1992. The signatures of the sellers, spouses Virginia (Virginia) and Marciano Cuevas (spouses Cuevas), were forged in the said Deed.^[6]

Hence, petitioners prayed for the cancellation of TCT No. T-369793 in private respondent's name; the issuance of a new certificate of title in petitioners' names;

the award of nominal damages of P50,000.00 and exemplary damages of P100,000.00, by reason of the fraud employed by private respondent in having the subject property registered in her name; the award of attorney's fees of not less than P50,000; and the costs of suit. [7]

On 18 April 1994, private respondent filed with the RTC her Answer with Counterclaim, wherein she denied petitioners' allegation that the signatures of the spouses Cuevas in the Deed of Absolute Sale dated 10 November 1992 were forged. Private respondent averred that the subject property was offered to her for sale, but she did not disclose who actually made the offer. She discovered that there was no adverse claim or any kind of encumbrance annotated on the certificate of title of the spouses Cuevas covering the subject property. She had purchased the subject property for value and in good faith and had been in possession thereof. Private respondent insisted that she had a better title to the subject property, since she was the first registrant of its sale. Private respondent thus prayed for the award of moral damages in the amount of not less than P100,000.00 for the mental anguish, serious anxiety, and besmirched reputation she suffered by reason of the unjustified filing by petitioners of the case; the award of exemplary damages in the amount of P100,000.00 for petitioners' malicious filing of the case; and the award of attorney's fees, and costs of suit. [8]

After the conduct of pre-trial, petitioners offered the testimonies of Marciano, petitioner Emma, and Carolyn Moldez-Pitoy (Carolyn).

Marciano testified that he and his wife Virginia signed, on 8 October 1976, a Deed of Absolute Sale covering the subject property in petitioner Emma's favor. He denied selling the subject property to any other person, including private respondent. Marciano, when shown the Deed of Absolute Sale dated 10 November 1992, involving the same property, in private respondent's favor, flatly stated that the signatures found therein were not his or his wife's. [9]

Petitioner Emma personally confirmed that Marciano sold the subject property to her in 1976. She had faithfully paid the real property taxes on it from 1976 until 1993, when she learned that it had been registered in private respondent's name. Upon examining the Deed of Absolute Sale dated 10 November 1992, supposedly executed by the spouses Cuevas over the subject property in private respondent's favor, petitioner Emma observed that the spouses Cuevas' signatures found therein appeared to have been forged. She further claimed that after finding that the subject property had been registered in private respondent's name, she suffered from nervousness and the aggravation of her rheumatoid arthritis. She was compelled to engage the services of a lawyer to prosecute her case against private respondent, which could cost her P100,000.00 or more. During the cross-examination and re-direct examination, petitioner Emma explained that she had not been able to register the subject property in her name because of her diabetes and rheumatoid arthritis. [10]

Carolyn introduced herself as a Senior Document Examiner in the National Bureau of Investigation (NBI), performing, among her other duties, handwriting analysis. She admitted to preparing Questioned Documents Report No. 548-795, dated 18 July 1995. [11]

Questioned Documents Report No. 548-795, prepared by Carolyn, was submitted by petitioners as evidence and was marked as Exhibit "G".^[12] They had obtained the report for the purpose of finding out whether (1) the signatures of the spouses Cuevas in the Deed of Absolute Sale dated 10 November 1992, which they purportedly executed in private respondent's favor; and (2) the signature of Escolastico Cuevas (Escolastico), Registrar of Deeds (ROD) of Cavite, in the Owner's Duplicate Copy of TCT No. T-58459, which Mariano surrendered to petitioners in 1972, were forged, by comparing them with the specimen signatures given by the spouses Cuevas and ROD Escolastico. As stated in her Report, Carolyn found that:

1. The questioned and the standard/specimen signatures VIRGINIA M. CUEVAS were not written by one and the same person.
2. The questioned and the standard /specimen signatures of ESCOLASTICO CUEVAS were written by one and the same person.
3. No definite opinion on MARCIANO CUEVAS per above stated findings no. 3.^[13]

On the other hand, private respondent offered the testimonies of Jaime Laudato (Jaime) and Angelina Cortez (Angelina) in support of her version of events.

Jaime disclosed that it was Vice-Mayor Lauro Carungcong (Carungcong) of Dasmariñas who supposedly brokered the sale of the subject property, and who instructed Jaime to verify with the Register of Deeds the existence of the Original Copy of TCT No. T-58459, and to check for any encumbrances thereon. Three weeks thereafter, Vice-Mayor Carungcong gave Jaime a copy of the Deed of Absolute Sale dated 10 November 1992 executed by the spouses Cuevas over the subject property in private respondent's favor, and directed Jaime to pay the obligatory taxes and to register the subject property in private respondent's name. On cross-examination, Jaime admitted that he had never met nor was he acquainted with either of the spouses Cuevas, the alleged vendors of the subject property.^[14]

Angelina, employed as a Deeds Examiner in the Register of Deeds of Cavite, was tasked, as part of her duties, to examine the documents related to the transfer of the subject property in private respondent's name before issuing the corresponding certificate of title. However, she admitted during cross-examination that she was not in a position to determine the authenticity of the documents presented to her.^[15]

The RTC rendered a Decision^[16] in Civil Case No. 878-94 on 7 October 1996, dismissing petitioners' Complaint. The RTC found that the statements of their witness Marciano and the results of Questioned Documents Report No. 548-795 issued by the NBI were contradictory. The RTC noted that Marciano testified that the signatures found in the Deed of Absolute Sale dated 8 October 1976 and the *Kasunduan sa Bilihan ng Lupa*^[17] dated 15 June 1971 were Virginia's; but the NBI Report stated that "the questioned and the standard/specimen signatures VIRGINIA M. CUEVAS were not written by one and the same person." The RTC also gave little credence to Marciano's denial of the sale of the subject property to private respondent, on the ground that it was self-serving. Although the RTC did observe differences in Marciano's signature in the *Kasunduan ng Bilihan ng Lupa* dated 15 June 1971 and the Deed of Absolute Sale dated 10 November 1992, the trial court

dismissed the same as mere changes in a person's penmanship or signature that could occur over the years. The RTC concluded that Civil Case No. 878-94 involved a double sale of the subject property, wherein private respondent, an innocent purchaser for value who first registered the property in her name, should be adjudged to have a better title. The dispositive part of the RTC Decision dated 7 October 1996 reads:

WHEREFORE, judgment is hereby rendered dismissing this case and declaring that the true and lawful owner of the subject property as described in, and covered by, TCT No. T-369793 is [herein respondent] Irene Montemayor.

All other claims of the parties are dismissed for inadequate substantiation.^[18]

On 11 July 1997, petitioners filed an appeal with the Court of Appeals, docketed as CA-G.R. CV No. 54517, which challenged the afore-mentioned RTC judgment.

During the pendency of CA-G.R. CV No. 54517, petitioners filed with the Court of Appeals an Urgent Manifestation^[19] on 20 October 1998. According to them, they obtained information that private respondent's TCT No. T-369793 covering the subject property had already been canceled; that a new certificate of title, TCT No. T-784707, had been issued in the name of another person, Engracia Isip (Engracia); and that a mortgage was constituted on the subject property. It began with private respondent executing a Waiver and Quitclaim on 15 January 1998, wherein she confessed to obtaining TCT No. T-369793 over the subject property in bad faith. In the same document, private respondent recognized Engracia's title to the subject property and, thus, private respondent relinquished her right over it to Engracia and the latter's heirs and successors-in-interest. The Register of Deeds, impleaded as a party in CA-G.R. CV No. 54517, canceled TCT No. T-369793 in private respondent's name; issued TCT No. T-784707 in the names of Engracia's heirs; and annotated on the latest certificate of title private respondent's Waiver and Quitclaim dated 15 January 1998.

On 18 November 1998, Perfecto Dumay-as, Deputy ROD of Trece Martires City, Cavite, filed a Comment/Manifestation stating that Civil Case No. 878-94 was not inscribed on private respondent's TCT No. T-369793, since the case before the RTC had already been resolved in favor of private respondent, thus, the presentation of the owner's original certificate of title along with the Waiver/Quitclaim, dated 15 January 1998, complied with the requirements of a voluntary transaction, justifying the issuance of TCT No. T-784707 in the name of Engracia's heirs.^[20]

In its Decision dated 20 May 2004 in CA-G.R. CV No. 54517, the Court of Appeals denied petitioners' appeal and affirmed the RTC Decision dated 7 October 1996 in Civil Case No. 878-94. The appellate court held that petitioners were negligent in failing to register the subject property in their names. And, just like the RTC, the Court of Appeals declared Marciano's denial of the sale of the subject property in private respondent's favor as self-serving. The appellate court also pointed out that the findings of the NBI were not definite as regards the alleged forgery of Marciano's signature in the Deed of Absolute Sale dated 10 November 1992. Lastly, the Court of Appeals took judicial notice of the Comment/Manifestation of Perfecto Dumay-as, Deputy ROD of Trece Martires City, Cavite, stating that Civil Case No. 878-94 was

not inscribed on private respondent's TCT No. T-369793, since the case before the RTC had already been resolved in favor of private respondent, and the acquisition by Engracia's heirs of the subject property and TCT No. T-784707 over the same was in good faith and, therefore, valid. The Court of Appeals decreed:

WHEREFORE, premises considered, the appealed Decision dated October 7, 1996 of the Regional Trial Court of Cavite is hereby **AFFIRMED**.^[21]

Petitioners filed a Motion for Reconsideration^[22] of the foregoing Decision on 25 June 2004, which the Court of Appeals denied in a Resolution^[23] dated 28 December 2004.

Hence, the present Petition, where petitioners made the following assignment of errors:

I

RESPONDENT COURT COMMITTED SERIOUS ERROR IN RENDERING THE DECISION AND RESOLUTION IN QUESTION IN COMPLETE DISREGARD OF LAW AND JURISPRUDENCE BY SUSTAINING THE ORDER OF THE REGIONAL TRIAL COURT (BRANCH 21) OF CAVITE NOTWITHSTANDING THE CLEAR AND AUTHENTIC RECORDS PRESENTED DURING TRIAL WHICH NEGATE AND CONTRADICT ITS FINDINGS.

II

RESPONDENT COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE DECISION AND RESOLUTION IN QUESTION IN VIOLATION OF LAW AND JURISPRUDENCE BY SUSTAINING THE ORDER OF THE REGIONAL TRIAL COURT (BRANCH 21) OF CAVITE THEREBY IGNORING THE EVIDENCE ON RECORD SHOWING THE PETITIONERS' CLEAR RIGHTS OF OWNERSHIP OVER THE SUBJECT PROPERTY.

III

RESPONDENT COURT COMMITTED SERIOUS ERROR IN AFFIRMING THAT THE TRUE AND LAWFUL OWNER OVER (sic) THE SUBJECT PROPERTY AS DESCRIBED IN AND COVERED BY TCT NO. T-369793 IS PRIVATE RESPONDENT IRENE MONTEMAYOR DESPITE DOCUMENTARY AND TESTIMONIAL EVIDENCE TO THE CONTRARY.^[24]

The fundamental issue for resolution of this Court in this case is who has better right to the subject property. Before the Court can settle the same, it must first determine the question of whether there was a double sale of the subject property to both petitioners and private respondent, which is essentially a question of fact requiring the Court to review, examine and evaluate, or weigh the probative value of the evidence presented by the parties.

Rule 45 of the Rules of Court provides that only questions of law shall be raised in a Petition for Review before this Court. This rule, however, admits of certain exceptions, namely, (1) when the findings are grounded entirely on speculations,