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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

HEIRS OF ANTONIO LOPEZ
namely **FELIZA LOPEZ-**
JULIAN, MARIA LOPEZ-
UDON, PEDRO LOPEZ,
MERILO LOPEZ, SYLVIA
LOPEZ-DE PANA, JULIO
LOPEZ, PANFILO LOPEZ and
LEOTIQUIO LOPEZ,
represented by **LEOTIQUIO**
LOPEZ,

Petitioners,

G.R. No. 196517

Present:

LEONEN, *S.A.J, Chairperson,**
LAZARO-JAVIER, *Acting Chairperson,***
ROSARIO,***
J. LOPEZ,
KHO, JR., *JJ.*

- versus -

SPOUSES FELIX and MARITA
EMPAYNADO,

Respondents.

Promulgated:

NOV 11 2024

[Signature]

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DECISION

KHO, JR., J.:

Before the Court is the Petition for Review on *Certiorari*¹ assailing the Decision² dated September 30, 2010 and the Resolution³ dated March 31,

* On official leave.

** Per Special Order No. 3144 dated November 7, 2024.

*** Designated additional member per Raffle dated June 22, 2022.

¹ *Rollo* pp. 6-18.

² *Id.* at 20-29. Penned by Associate Justice Mario V. Lopez (now a Member of this Court), with the concurrence of Associate Justices Magdangal M. De Leon and Franchito N. Diamante, of the Special Fifteenth Division, Court of Appeals, Manila.

³ *Id.* at 31-34.

2011 of the Court of Appeals (CA) in CA-G.R. CV No. 91937. The CA ruling affirmed the Decision⁴ dated April 30, 2008 of the Regional Trial Court (RTC) in Civil Case No. 2591, which dismissed the complaint for reconveyance of real property and damages filed by petitioners the Heirs of Antonio Lopez (Antonio), represented by Leotiquio Lopez (Leotiquio; collectively, petitioners), against spouses Felix (Felix) and Marita Empaynado (Marita; collectively, respondents).

The Facts

On November 7, 2002, petitioners filed a Complaint⁵ for reconveyance of real property and damages before the RTC, alleging that Antonio, married to Lolita Francisco (Lolita), is the registered owner of a 1,089-square meter lot covered by Transfer Certificate of Title (TCT) No. NT-148524. The complaint also alleged that after Antonio died in 1986, Pedro Lopez (Pedro), one of Antonio's children and petitioners in this case, approached their aunt Marita, Lolita's sister, to borrow the amount of PHP 15,000.00. As security for the loan, Pedro delivered to Marita the owner's duplicate copy of TCT No. NT-148524. A few months later, Pedro asked Marita to return said title so he could sell the lot and pay off the loan. Instead, Marita persuaded Pedro to allow her and Felix to facilitate the sale of the property. Respondents also convinced Pedro to sign Antonio's signature on a blank sheet of paper on the assurance that they will use it only as authority to sell the lot. Respondents, however, converted the blank sheet into a Deed of Absolute Sale dated November 9, 1989 (1989 Deed of Sale) in their favor and caused the transfer of the property in their name. Thus, petitioners prayed for the reconveyance of the property and the award of damages, litigation expenses, attorney's fees, and cost of suit.

In support of their allegations, petitioners presented a copy of TCT No. NT-148524⁶ in Antonio's name, married to Lolita, the 1989 Deed of Sale,⁷ TCT No. NT-210220⁸ issued in the name of respondents, death certificate of Antonio,⁹ and Special Power of Attorney authorizing Leotiquio to represent his siblings in the case.¹⁰

In their Answer with Counterclaim,¹¹ respondents denied that there was fraud in the transfer and registration of the lot in their name. They alleged that Antonio and Lolita sold the property to Pedro in consideration for his paying off their loan with the Philippine National Bank (PNB), as evidenced by

⁴ RTC records, pp. 257-263. Penned by Presiding Judge Celso O. Baguio, of Branch 34, Regional Trial Court, Gapan City.

⁵ *Id.* at 1-4.

⁶ *Id.* at 160.

⁷ *Id.* at 161.

⁸ *Id.* at 163.

⁹ *Id.* at 165.

¹⁰ *Id.* at 155-157. See Plaintiff's Formal Offer of Documentary Evidence. See also *id.* at 158-159.

¹¹ *Id.* at 79-86.

Official Receipts¹² issued by PNB and an undated and unnotarized Deed of Absolute Sale.¹³ Since Pedro lacked funds to transfer the title in his name, it remained in the name of Antonio. Subsequently, Pedro borrowed PHP 120,000.00 from respondents which he failed to pay despite the long lapse of time and repeated demands. Thus, he offered the property as payment. Since Antonio had already died in 1986 and the property was still registered in his name, Pedro forged Antonio's signature on the 1989 Deed of Sale while Lolita affixed her signature on said deed. As such, respondents claimed that petitioners came to court with unclean hands. Lastly, respondents argued that petitioners' cause of action had prescribed since they filed the complaint only on November 7, 2002 or about 12 years from the discovery of the alleged fraud, i.e., on November 16, 1989 when the 1989 Deed of Absolute Sale was registered in their name with the office of the Register of Deeds.

For their part, respondents presented in evidence¹⁴ TCT No. NT-148524, the 1989 Deed of Sale, death certificate of Antonio, PNB O.R. Nos. 819791 and 820287, and the undated and unnotarized Deed of Absolute Sale executed by the Antonio and Lolita.

Records show that during the trial, Leotiquio, petitioners' sole witness, testified that he was not aware of any circumstances leading to the execution of the 1989 Deed of Sale, and only discovered the alleged fraudulent transfer of the title of the property in the name of respondents after verification with the Register of Deeds. *Leotiquio also admitted that Antonio's signature on the 1989 Deed of Sale was affixed by Pedro. Further, Leotiquio acknowledged that aside from the signature above the name of Antonio, the signature of Lolita appears on said deed which the latter voluntarily affixed.*¹⁵

For their part, respondents presented Amelia Empaynado dela Merced (Amelia), respondents' daughter, who testified on the material allegations in their answer and in their counterclaim.¹⁶

The RTC Ruling

In a Decision¹⁷ dated April 30, 2008, the RTC dismissed the complaint for petitioners' failure to prove the alleged fraud in the execution of the 1989 Deed of Sale. It pointed out that petitioners judicially admitted that it was Pedro who affixed Antonio's signature on said Deed and that their mother Lolita voluntarily affixed her signature on the same. Additionally, it noted that Leotiquio, petitioners' lone witness, failed to explain why Lolita signed the

¹² *Id.* at 232.

¹³ *Id.* at 233.

¹⁴ *Id.* at 229–231. *See* Formal Offer of Documentary Exhibits. For the PNB Official Receipts and Deed of Absolute Sale in favor of Pedro, *see id.* at 232–233.

¹⁵ *Id.* at 259.

¹⁶ *Id.* at 260.

¹⁷ *Id.* at 257–263.

1989 Deed of Sale and, in fact, admitted and acknowledged Lolita's signature therein. In this regard, the RTC found questionable petitioners' failure to implead Lolita as party-plaintiff in the case notwithstanding Lolita's purported participation in the sale.¹⁸

Moreover, the RTC gave credence to respondents' claim that Lolita signed the 1989 Deed of Sale to signify her conformity to Pedro's selling of the property to respondents as payment for the latter's indebtedness to the former.¹⁹ Further, *it found convincing respondents' evidence showing Pedro's ownership of the property at the time of its sale to respondents, even though it was still titled under Antonio's name.*²⁰ Considering that petitioners and respondents are close relatives—Marita being Lolita's sister and petitioners' aunt—and the fact that respondents had immediately possessed and have been occupying the property after the sale, the RTC found Leotiquio's claim doubtful that he only discovered the alleged fraudulent transfer of the property when he inquired with the Register of Deeds.²¹

Finally, the RTC ruled that petitioners' action had prescribed since close to 13 years had already elapsed from the registration of the 1989 Deed of Sale and the issuance of the corresponding new title in respondents' name on November 16, 1989 up to the filing of the complaint on November 7, 2002.²²

Aggrieved, petitioners moved for reconsideration but was denied in a Resolution²³ dated July 17, 2008. Undeterred, petitioners appealed before the CA.

The CA Ruling

In a Decision²⁴ dated September 30, 2010, the CA denied petitioners' appeal, and consequently, affirmed the RTC ruling.

Firstly, it held that while Antonio's signature on the 1989 Deed of Sale was clearly forged, said deed nonetheless remained valid with respect to Lolita considering that her signature, the authenticity of which remained undisputed,²⁵ clearly showed her conformity and acquiescence to the

¹⁸ *Id.* at 262.

¹⁹ *Id.* at 260–261.

²⁰ *Id.* at 261.

²¹ *Id.* at 260–262.

²² *Id.* at 261–262.

²³ *Id.* at 280–283.

²⁴ *Rollo*, pp. 20–29.

²⁵ *Id.* at 25–26, where the CA noted the absence of any evidence showing that Lolita questioned the sale or sought the return of the property, as well as the fact that she did not join petitioners in this case in seeking the property's reconveyance. Neither did Lolita testify that her signature was forged or that she was forced to sign said document. Moreover, Leotiquio even acknowledged his mother's signature on the

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property's sale. In this regard, the CA pointed out that when Antonio died in 1986, the conjugal partnership was dissolved vesting half thereof to Lolita as her conjugal share while the other half, belonging to Antonio, forming part of his estate which was automatically transmitted, upon his death, to his compulsory heirs, to be divided equally among them. Consequently, half of the property belonged to Lolita as her conjugal share while the other half belonged to and were equally divided among Lolita and their eight children: thus, Lolita had a 10/18th share over the property while their children have 1/18th share each. As the pro-indiviso owner of 10/18th share of the property, Lolita had the right to freely and validly sell and dispose of the same to respondents who thereby substituted her as co-owner of the property together with petitioners.

Secondly, the CA ruled that petitioners' action had already prescribed considering that petitioners filed the action for reconveyance only on November 7, 2002 or after almost 13 years from the property's registration on November 16, 1989. It explained that respondents' act of registering the property in their names constituted a categorical repudiation of the co-ownership and an announcement of their exclusive claim over the property against petitioners. From thereon, respondents became trustees of an implied trust with respect to the share of petitioners in the property whose right to recover the same prescribed in 10 years in the absence of a showing that they are in possession of it.

Determined, petitioners sought reconsideration but was denied in a Resolution²⁶ dated March 31, 2011. Hence, this petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the CA correctly upheld the RTC Decision dismissing respondents' action for reconveyance.

Essentially, petitioners insist that: (i) the 1989 Deed of Sale was forged and thus, void and of no effect: and (ii) the action to declare a void *ab initio* deed as inexistent is imprescriptible, hence, their action for reconveyance has not yet prescribed.

In their Comment,²⁷ respondents echo the CA's ruling, but further emphasize that, as the CA and RTC found, it was only Antonio's signature which was forged – by no less than Pedro himself, one of the petitioners—and not the entire 1989 Deed of Sale.

Deed. As such, the CA concluded that Lolita willingly sold and transferred to respondents the property to whatever shares or right she may have over it.

²⁶ *Id.* at 31–34.

²⁷ *Id.* at 88–96. Dated April 6, 2016.

The Court's Ruling

The Court denies the Petition.

At the outset, the Court reiterates that in this jurisdiction, only questions of law are allowed in a petition for review on *certiorari*. The Court is not a trier of facts.²⁸ This Court's power of review in a Rule 45 petition is limited to resolving matters pertaining to any perceived legal errors, which the CA may have committed in issuing the assailed decision.²⁹ It is well to reiterate that factual findings of the RTC are *generally* conclusive and binding on this court especially when affirmed by the CA.³⁰

There is a question of law when there is doubt or controversy as to what the law is on a certain state of facts.³¹ A question of fact, on the other hand, requires this court to review the truthfulness or falsity of the allegations of the parties, which includes an assessment of the probative value of the evidence presented, as well as the correctness of the lower courts' appreciation of the evidence presented by the parties.³²

Nonetheless, the rule limiting the appeal by *certiorari* to the consideration and resolution of legal questions admits of several exceptions which the parties must allege, substantiate, and prove in order for the Court to evaluate and review the lower courts' factual findings.³³ These exceptions include: (1) *when the factual findings of the CA and the trial court are contradictory*; (2) *when the findings are grounded entirely on speculation, surmises, or conjectures*; (3) *when the inference made by the CA from its findings of fact is manifestly mistaken, absurd, or impossible*; (4) *when there is grave abuse of discretion in the appreciation of facts*; (5) *when the CA, in making its findings, goes beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee*; (6) *when the judgment of the CA is premised on a misapprehension of facts*; (7) *when the CA fails to notice certain relevant facts which, if properly considered, will justify a different conclusion*; (8) *when the findings of fact are themselves conflicting*; (9) *when the findings of fact are conclusions without citation of the specific evidence on which they are based*; and (10) *when the findings of*

²⁸ *Prudential Bank v. Rapanot*, 803 Phil. 294, 297 (2017) [Per J. Caguioa, First Division].

²⁹ *Universal Robina Sugar Milling Corporation v. Acibo*, 724 Phil. 479, 506 (2014) [Per J. Brion, Second Division].

³⁰ *Ligtas v. People*, 766 Phil. 750, 762–763 (2015) [Per J. Leonen, Second Division]; *Dee Hwa Liong Foundation Medical Center v. Asiamed Supplies and Equipment Corporation*, 817 Phil. 67, 77–78 (2017) [Per J. Leonen, Third Division].

³¹ *Mandaue Realty & Resources Corporation v. Court of Appeals*, 801 Phil. 27, 36 (2016) [Per J. Jardeleza, Third Division].

³² *Pascual v. Burgos*, 776 Phil. 167, 183 (2016) [Per J. Leonen, Second Division]. *See also Mandaue Realty & Resources Corporation v. Court of Appeals*, 801 Phil. 27, 36 (2016) [Per J. Jardeleza, Third Division].

³³ *Dee Hwa Liong Foundation Medical Center v. Asiamed Supplies and Equipment Corporation*, 817 Phil. 67, 77–78 (2017) [Per J. Leonen, Third Division].

fact of the CA are premised on the absence of evidence but such findings are contradicted by the evidence on record.³⁴

In this case, there appears to be a conflict between the findings of the RTC and the CA with respect to the ownership of the property at the time of its sale, as well as misapprehension of certain facts and circumstances; thus, warranting a review of the lower courts' findings.

Petitioners' action for reconveyance cannot prosper for their failure to prove their cause of action; at the time of the execution of the 1989 Deed of Sale, the property was already sold to Pedro earlier who thereafter sold the same to respondents

The complaint of petitioners is for reconveyance of real property. However, petitioners failed to prove their right of ownership over the property for their action for reconveyance to prosper. Thus, the Court affirms the dismissal of petitioners' complaint for reconveyance for their failure to prove their cause of action, but does so on different grounds.

An action for reconveyance is a legal and equitable remedy granted to the rightful landowner, whose land was wrongfully or erroneously registered in the name of another, to compel the registered owner to transfer or reconvey the land to him or her.³⁵ Based on this definition, it is evident that *reconveyance is the remedy available only to the rightful owners,³⁶ and the burden lies on the plaintiffs to allege and prove, by preponderance of evidence, (i) their ownership of the land in dispute, and (ii) the defendants' erroneous, fraudulent, or wrongful registration of the property.³⁷*

In this case, petitioners' action for reconveyance is based on the *nullity of the 1989 Deed of Sale*. In their complaint, petitioners prayed for the cancellation and annulment of TCT No. NT-210220 issued in respondents' name, as well as the reconveyance of the property, including the payment of

³⁴ *Shangri-la Properties, Inc. v. BF Corporation*, 865 Phil. 324, 339–340 (2019) [Per C.J. Bersamin, *En Banc*]; *Prudential Bank v. Rapanot*, 803 Phil. 294 (2017) [Per J. Caguioa, First Division]; *Pascual v. Burgos*, 776 Phil. 167, 182–183 (2016) [Per J. Leonen, Second Division].

³⁵ *Heirs of Tomas Arao v. Heirs of Pedro Eclipse*, 843 Phil. 391, 405 (2018) [Per J. J. Reyes, Jr., Third Division].

³⁶ *Id.* at 405.

³⁷ *Id.* See also *Heirs of Andres Naya v. Naya*, 801 Phil. 160, 168–169 (2016) [Per J. Jardeleza, Third Division]; *Tomawis v. Balindong*, 628 Phil. 252 (2010) [Per J. Velasco, Jr., *En Banc*]; *Mendizabel v. Apao*, 518 Phil. 17 (2006) [Per J. Carpio, Third Division].

For burden of proof in civil cases in general, see also *Alonso v. Cebu Country Club, Inc.*, 462 Phil. 546 (2003) [Per J. Austria-Martinez, *En Banc*]; *Sps. Henry O and Pacita Cheng v. Sps. Jose Javier and Claudia Dailisan*, 609 Phil. 434 (2009) [Per J. Ynares-Santiago, Third Division]. See also *VSD Realty & Development Corporation v. Uniwide Sales, Inc.*, 698 Phil. 62 (2012) [Per J. Peralta, Third Division] and *Heirs of Felicisimo Gabule v. Jumoad*, 887 Phil. 575 (2020) [Per J. Gesmundo, Third Division].

damages on the ground that they are the legitimate children and compulsory heirs of the property's previous owner, the late Antonio, and that, through fraudulent means and Pedro's forgery of Antonio's signature in the 1989 Deed of Sale, respondents were able to register the property in their names. To prove their allegations, they presented a copy of the 1989 Deed of Sale and Leotiquio's testimony.

For their part, respondents denied having any hand in the forgery, asserting that *it was Pedro who forged Antonio's signature* on the 1989 Deed of Sale which Pedro brought with him to sell the property to respondents as payment for his debt. They likewise asserted that Lolita in fact voluntarily signed the same. More importantly, they raised the defense that Pedro already owned the property at the time of its sale as it was previously sold to him by Antonio and Lolita after he redeemed the property from the PNB. To prove their allegations, respondents presented the official receipts issued by the PNB, the undated and unnotarized Deed of Absolute Sale executed by Antonio and Lolita in favor of Pedro, as well as the testimony of Amelia.

To recall, the RTC dismissed petitioners' complaint because: (i) they failed to prove the alleged fraud in the execution of the 1989 Deed of Sale; (ii) and petitioners' cause of action had already prescribed. On the other hand, the CA affirmed the RTC's ruling that petitioners' action had already prescribed, and additionally upheld the validity of the 1989 Deed of Sale with respect to Lolita's share on the property.

Based on the allegations and evidence, the Court is convinced that at the time of the execution of the 1989 Deed of Sale, the property was already sold by Antonio and Lolita to Pedro, who thereafter sold the same to respondents. As such, petitioners' action for reconveyance cannot prosper for their failure to prove the first element for an action for reconveyance to prosper, i.e., their ownership of the property in dispute.

Prefatorily, the following undisputed facts casts serious doubts against petitioners' claim of ownership over the subject property and raises several questions against their alleged lack of knowledge of the property's sale to respondents: (i) it was Pedro, one of herein petitioners, who forged Antonio's signature on the 1989 Deed of Sale; (ii) petitioners acknowledged the genuineness of Lolita's signature on the 1989 Deed of Sale which thereby evidenced her conformity to the sale; (iii) Lolita never questioned the sale, sought recovery of the property, nor joined petitioners in filing the action for reconveyance; (iv) petitioners admitted that from the time of the sale, they had not been in possession of the property and that they filed the action for reconveyance only on November 7, 2002, or close to 13 years after the property's registration in respondents' name; and (v) petitioners and respondents are close relatives, Lolita being Marita's sister.

More importantly, records disclose that *Antonio and Lolita sold the property to Pedro through an undated and unnotarized Deed of Absolute Sale after the latter redeemed the property from the PNB in 1984*. The RTC found this fact, including the evidence presented in support thereof, convincing as it held that “[respondents] were able to show that when . . . Pedro Lopez, along with his mother Lolita, sold the subject property to them, he (Pedro) was already the owner of the same.”³⁸ Significantly, *petitioners never questioned this finding nor presented clear and convincing evidence controverting the sale in favor of Pedro*. Neither did petitioners rebut respondents’ claim that the property was already previously sold to the latter.

To be sure, the Court recognizes that under our rules of evidence, before the undated and unnotarized Deed of Absolute Sale is received in evidence, its authenticity and due execution must be proved. Rule 132, Section 20 of the Rules of Court provides:

Section 20. Proof of private document. - Before any private document offered as authentic is received in evidence, its due execution and authenticity must be proved by any of the following means:

- (a) **By anyone who saw the document executed or written;** or
- (b) By evidence of the genuineness of the signature or handwriting of the maker.
- (c) By other evidence showing its due execution and authenticity.

Any other private document need only be identified as that which it is claimed to be. (Emphasis supplied)

Thus, case law settles that “before a private document is admitted in evidence, it must be authenticated either by the person who executed it, the person before whom its execution was acknowledged, any person who was present and saw it executed, or who after its execution, saw it and recognized the signatures, or the person to whom the parties to the instruments had previously confessed execution thereof.”³⁹ Authentication by a person who saw the document executed or written is done *when the witness positively testifies that a document presented as evidence is genuine and has been duly executed or that the document is neither spurious nor counterfeit nor executed by mistake or under duress*.⁴⁰ While there is no fixed criterion as to what constitutes competent evidence to establish the authenticity of a private document, the best proof available must be presented.⁴¹

³⁸ RTC records, p. 261.

³⁹ *Seming v. Almag*, 898 Phil. 698, 709 (2021) [Per J. Hernando, Third Division].

⁴⁰ *Salas v. Sta. Mesa Market Corporation*, 554 Phil. 343, 349 (2007) [Per J. Corona, First Division]; *Rodriguez v. Your Own Home Development Corporation*, 838 Phil. 749, 770 (2018) [Per J. Leonen, Third Division].

⁴¹ *Rodriguez v. Your Own Home Development Corporation*, 838 Phil. 749, 770 (2018) [Per J. Leonen, Third Division].

In this case, *Amelia positively identified the undated and unnotarized Deed of Absolute Sale as the document signed by Antonio and Lolita in their house to evidence the sale of the property to Pedro*. Amelia also positively identified the official receipts as those issued by the PNB after Pedro redeemed the property from the former. Additionally, *Amelia categorically testified that Antonio and Lolita voluntarily affixed their signatures on the undated Deed of Absolute Sale in her and her mother's presence and as payment for Pedro's redemption of the property from the PNB*. Further, Amelia attested that she was aware of these transactions because she was always with her mother whom she cared for. Finally, she narrated that Antonio and Lolita were not able to have said undated Deed of Absolute Sale notarized for lack of money. There is no showing that petitioners timely objected to these testimonies in accordance with Rule 132, Section 36,⁴² of the Rules of Court. Thus:

ATTY. DAVID: . . .

Q: Now, Madam Witness, in paragraph 3, of this complaint of the plaintiffs they stated that sometime in January, 1987, plaintiff Pedro Lopez obtained a loan from your mother Marita Empaynado in the amount of ₱15,000.00 and as collateral of which is the title in the name of Antonio Lopez covered by TCT NO. NT-148524 was delivered to your mother . . . Do you know that transaction, Madam Witness?

WITNESS:

A: Yes, sir.

Q: *Why do you know the transaction between your mother and plaintiff Pedro Lopez?*

A: *Because I am always with her and I took care of her and every single day I am with her and I know every transaction she made.*

. . . .

Q: Madam Witness, the title that was delivered by Pedro Lopez to your mother is in the name of Antonio Lopez, did you notice that?

A: Yes, sir.

Q: Now, did your mother ask why Pedro Lopez was in possession of that title belonging to Antonio Lopez?

A: It was asked, sir.

Q: And what did Antonio[sic] Lopez told your mother upon being asked about that fact?

A: *Because they knew they were the one who made the redemption from Philippine National Bank and they know that it was owned by them.*

⁴² Section 36. *Objection*. — Objection to evidence offered orally must be made immediately after the offer is made.

Objection to a question propounded in the course of the oral examination of a witness shall be made as soon as the grounds therefor shall become reasonably apparent.

. . . (Emphasis supplied)

Q: *Did they present to you any document to support so that the redemption meaning Pedro Lopez and his wife were the owners of that property in the name of Antonio Lopez?*

A: *There is, sir.*

Q: What are those documents?

A: *The deed of sale, sir.*

Q: Are you referring to PNB official receipts?

A: Yes, sir.

Q: *I am showing to you two official receipts issued by the PNB, please go over this and tell us what relation is this receipt to the document that were shown to you by Pedro Lopez?*

A: *This is the proof that it was redeemed the property, sir.*

....

ATTY. DAVID:

Q: You were also referred to alleged deed of sale that was shown to you to your mother by Pedro Lopez. I am showing to you a deed of absolute sale can you tell us what is the relation of this deed of sale to the document you said a while ago, do you recognize whose signature appeared over the typewritten name Antonio Lopez?

A: Ye[s], sir.

Q: How about the signature appearing over the typewritten name Lolita Francisco, whose signature is this?

A: The signature of my auntie, sir.

Q: *These signatures of Antonio Lopez and Lolita Francisco are theirs?*

A: *Yes, sir.*

Q: *Why do you know that these are their signatures?*

A: *We are present and they told that they have no money that's why it was not notarized and because of lack of money.*

....

ATTY. DAVID:

Q: What happened to the loan of ₱15,000.00 obtained by Pedro Lopez?

A: All in all ₱120,000.00, sir.

Q: Was Pedro Lopez able to pay the amount of ₱120,000.00?

A: No, sir.

....

Q: *So what did your mother do when Pedro Lopez was not able to pay the obligation?*

A: *They offered their document regarding the land to be used as payment.*

Q: *Did your mother agree regarding the proposal of Pedro Lopez?*

A: At first she was not agreed, sir.

Q: Did your mother agree later?

A: Yes, sir.

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Q: Did Pedro Lopez executed any document or title to your mother?

ATTY. MADRID: Objection, your Honor.

COURT: Reform.

ATTY. DAVID:

Q: *Was there any document that was executed, what happened to the proposal?*

A: *It was transferred, sir.*

Q: *By what means?*

A: *They prepared the document a deed of sale.*

Q: *Who prepared it?*

A: *Pedro Lopez brought to us.*

Q: *What do you mean Pedro Lopez is the one who affixed the signature of his father? How about the typewritten name Lolita Lopez do you recognize that signature?*

A: *Yes, sir, Lolita Lopez.*

Q: *How did you come to know that the signatures appearing on this document are signatures of Pedro and Lolita Lopez and where are those documents was this signed by Pedro Lopez and Lolita Lopez?*

A: *Yes, sir. Here in our place in our house in San Mariano.*

Q: *Now, after they signed this document, what happened next?*

A: *They caused the titling, sir.*

Q: *Who undertook?*

A: *Pedro Lopez and Lolita Lopez, sir.*

Q: *Was the title finally transferred to your mother?*

A: *Yes, sir.*

Q: *You are referring to TCT NO. NT-2110220?*

A: *Yes, sir.*⁴³ (Emphasis and underscoring supplied)

Based on the foregoing facts and circumstances, the Court is hard-pressed to agree that, except for Pedro, petitioners were the rightful owners of the property which respondents fraudulently or erroneously registered in their names. It bears stressing that the due execution and authenticity of the undated and unnotarized Deed of Absolute Sale having been ostensibly established by the positive and categorical identification of Amelia, the burden shifted unto petitioners to present controverting evidence that the property was not so transferred, especially in the light of the property's subsequent sale to respondents and of their possession and occupation thereof as owners, which petitioners manifestly failed to discharge convincingly.

⁴³ TSN, Amelia Empaynado Dela Merced, June 26, 2007, pp. 5-12.

Indeed, as the records compellingly show, *the property was already sold to Pedro sometime prior to Antonio's death in 1986. This was the reason why Pedro was in possession of the owner's duplicate copy of TCT No. NT-148524 and surrendered the same to Marita as collateral for his loan from the latter.* This inference is bolstered by the fact that Lolita voluntarily signed the 1989 Deed of Sale which, while considered void by this Court for containing the forged signature of Antonio, as will be explained later, nonetheless sufficiently corroborates Amelia's testimony that Lolita agreed to Pedro's selling the property to respondents. Moreover, this inference is further strengthened by the fact that Lolita, whose interests in the property would be adversely affected should the 1989 Deed of Sale be declared valid, never sought the recovery of the property nor joined petitioners in filing the action for reconveyance.

Further, respondents have been in possession of the property from the time of their purchase in 1989. Considering that petitioners and respondents are close relatives, and given the facts of this case, it is highly unbelievable that petitioners had not been aware of respondents' possession and claimed ownership of the property until sometime in 2002, or 13 years after the sale, when they filed the action. Certainly, it is far from human experience for persons to remain silent when the property which they claim to own is being claimed and occupied by another. Notably, petitioners never explained their almost 13-year inaction nor offered sufficient justification for the same.

Finally, it must be emphasized that Pedro—one of the petitioners in this case—was the author of the forged signature of Antonio on the 1989 Deed of Sale and as such did not come to court with clean hands. It is elementary that he who comes to court must do so with clean hands.⁴⁴

All told, the totality of the facts and circumstances, as well as the evidence presented by the parties, establish that *the property was no longer owned by Antonio and Lolita at the time of its sale to respondents. Rather, it was owned by Pedro who orchestrated the forgery in the 1989 Deed of Sale to effect the sale of the property to respondents. Consequently, except for Pedro, petitioners did not have a cause of action against respondents for the reconveyance of the property based on the 1989 Deed of Sale.* Moreover, it cannot be said that respondents defrauded petitioners to their damage and prejudice absent any evidentiary basis to support such conclusion. As such, *petitioners' action for reconveyance must be dismissed for their failure to prove by preponderance of evidence (i) the fact of their ownership over the property, and (ii) the alleged fraudulent or erroneous transfer thereof to respondents.*

⁴⁴ *Capistrano v. Limcuando*, 598 Phil. 650, 659–660 (2009) [Per J. Leonardo-De Castro, First Division].

The 1989 Deed of Sale is void; an action for reconveyance based on a void conveyance is imprescriptible

Prefatorily, the Court is inclined to agree with petitioners that the 1989 Deed of Sale is void and therefore of no legal effect; thus, the action for reconveyance based on a conveyance that is void had not yet prescribed.

It is undisputed that Antonio's signature on the 1989 Deed of Sale was forged considering that he died in 1986 or three years prior to the Deed's execution. Records likewise indisputably confirm that Pedro forged Antonio's signature on said Deed.

Article 1458 of the Civil Code provides that "[b]y 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." In this regard, case law settles that "[c]ontracting parties must be juristic entities at the time of the consummation of the contract."⁴⁵ In order to form a valid and legal agreement, "it is necessary that there be a party capable of contracting and party capable of being contracted with."⁴⁶ A person who is dead loses juridical capacity to contract.⁴⁷ Thus, "[i]f any one party to a supposed contract was already dead at the time of its execution, such contract is undoubtedly simulated and false, and, therefore, null and void by reason of its having been made after the death of the party who appears as one of the contracting parties therein."⁴⁸

In this case, considering that Antonio's signature on the 1989 Deed of Sale was forged, said Deed is null and void and conveyed no title to respondents. The issuance of a certificate of title in respondents' favor pursuant to the 1989 Deed of Sale did not vest upon them ownership of the *entire* property; neither did it validate the purchase thereof which is null and void. Case law settles that registration does not vest title; it is merely the evidence of such title.⁴⁹ Thus, TCT No. NT-210220 issued in respondents' name pursuant to said spurious and forged 1989 Deed of Sale is also null and void.⁵⁰

⁴⁵ *Macababbad v. Masirag*, 596 Phil. 76, 95 (2009) [Per J. Brion, Second Division].

⁴⁶ *Id.* at 95.

⁴⁷ See Article 37 of the CIVIL CODE. See also *Macababbad v. Masirag*, 596 Phil. 76 (2009) [Per J. Brion, Second Division]; *Vda. De Cabalu v. Sps. Tabu*, 695 Phil. 729 (2012) [Per J. Mendoza, Third Division]; and *Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba*, 456 Phil. 569 (2003) [Per J. Ynares-Santiago, First Division].

⁴⁸ *Arakor Construction v. Gaddi*, 893 Phil. 146, 158 (2021) [Per J. Hernando, Third Division]; *Velasco v. Magpale*, 883 Phil. 285, 304 (2020) [Per J. Carandang, Third Division]; *Macababbad v. Masirag*, 596 Phil. 76, 95 (2009) [Per J. Brion, Second Division]; *Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba*, 456 Phil. 569, 578 (2003) [Per J. Ynares-Santiago, First Division]; and *Heirs of Tomas Arao v. Heirs of Pedro Eclipse*, 843 Phil. 391, 402-403 (2018) [Per J. J. Reyes, Jr., Third Division].

⁴⁹ *Macababbad v. Masirag*, 596 Phil. 76, 95 (2009) [Per J. Brion, Second Division].

⁵⁰ *Arakor Construction v. Gaddi*, 893 Phil. 146, 158 (2021) [Per J. Hernando, Third Division]; *Heirs of Tomas Arao v. Heirs of Pedro Eclipse*, 843 Phil. 391, 402-403 (2018) [Per J. J. Reyes, Jr., Third Division]; and *Vda. De Cabalu v. Sps. Tabu*, 695 Phil. 729 (2012) [Per J. Mendoza, Third Division].

Under Article 1410 of the Civil Code of the Philippines, the action for the declaration of the inexistence of a contract does not prescribe. As such, the *action for reconveyance of the property that is based on the fact that the conveyance complained of is void is imprescriptible*.⁵¹ Consequently, the RTC and CA were incorrect in declaring that petitioners' action for reconveyance *grounded on the invalidity of the 1989 Deed of Sale* had already prescribed. While the action for reconveyance is imprescriptible, petitioners nevertheless failed to prove their ownership over the property and the alleged fraudulent or erroneous transfer to the respondents.

Pedro must execute the requisite Deed of Sale to complete the transaction

On this score, the Court recognizes that it would be remiss in its duty if it were to simply deny the petition without resolving the state of the property's title and ownership. While the 1989 Deed of Sale is declared void and of no legal effect, it is nonetheless undeniable that a contract of sale was perfected and consummated between Pedro, the ostensible owner of the property, and respondents.

Under Article 1403(2), in relation to Articles 1356 and 1358 of the Civil Code of the Philippines, an agreement for the sale of real property or interest therein shall be unenforceable unless "the same, or some note or memorandum, thereof, be in writing, and subscribed by the party charged, or by his agent."

Nonetheless, under Article 1405 thereof, such agreements are enforceable when "*ratified by the failure to object to the presentation of oral evidence to prove the same, or by the acceptance of benefits under them.*" Thus, where the verbal contract of sale has been partially executed, or as in this case fully executed, the contract is taken out of the scope of the Statute.⁵² Indeed, as case law holds, the Statute of Frauds expressed in Article 1403, paragraph (2), of the Civil Code applies only to executory contracts, i.e., those where no performance has yet been made. But, where the contract in question is completed, executed, or partially or *fully consummated*, the legal consequence of non-compliance with the Statute does not come into play.⁵³

Here, the Court finds no serious argument against the complete execution and consummation of the contract of sale between Pedro and respondents. Pedro, as the ostensible owner and vendor of the property, accepted full payment and delivered the title to respondents who, in turn,

⁵¹ *Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba*, 456 Phil. 569, 579 (2003) [Per J. Ynares-Santiago, First Division]; *Macababbad v. Masirag*, 596 Phil. 76 (2009) [Per J. Brion, Second Division].; *Vda. De Cabalu v. Sps. Tabu*, 695 Phil. 729 (2012) [Per J. Mendoza, Third Division]; and *Lacsamana v. Court of Appeals*, 351 Phil. 526 (1988) [Per J. Bellosillo, First Division].

⁵² *Orduña v. Fuentebella*, 636 Phil. 151, 163 (2010) [Per J. Velasco, Jr., First Division].

⁵³ *Id.* at 162–163.

immediately occupied and possessed said property as the new owners thereof. Given its complete execution and consummation, the sale is no longer within the Statute of Frauds.

With the intent of Pedro to transfer the ownership over the property to respondents clearly established and effected by the consummation of the sale, all that is needed therefore is the execution of the proper deed in order for its registration in the Register of Deeds and the issuance of the corresponding title. Under Article 1406 of the Civil Code, when a contract is enforceable under the Statute of Frauds, and a public document is necessary for its registration in the Registry of Deeds, the parties may avail themselves of the right under Article 1357 of the Civil Code. Article 1357 provides that “[if] the law requires a document or other special form, . . . the contracting parties may compel each other to observe that form, once the contract has been perfected.”

Thus, this Court directs the parties herein to execute all necessary documents as required by law to effect the smooth issuance of the new Certificate of Title based on the consummated sale. Notably, this is not the first time this Court made such directive even if not prayed for by the winning parties in their pleadings, the purpose being to dispose of the case finally and fully, thereby avoiding multiplicity of suits.

In *Heirs of Tomas Arao v. Heirs of Pedro Eclipse*,⁵⁴ citing *Spouses Aguinaldo v. Torres, Jr.*,⁵⁵ the Court held:

To be sure, the directive to execute a registrable deed of conveyance in respondent's favor - albeit not specifically prayed for in respondent's Answer with Counterclaim - is but a necessary consequence of the judgment upholding the validity of the sale to him, and an essential measure to put in proper place the title to and ownership of the subject properties and to preclude further contentions thereon. As aptly explained by the CA, “[t]o leave the [1991 deed of sale] as a private one would not necessarily serve the intent of the country's land registration laws[, and] resorting to another action merely to compel the [petitioners] to execute a registrable deed of sale would unnecessarily prolong the resolution of this case, especially when the end goal would be the same.” In this relation, case law states that a judgment should be complete by itself; hence, the courts are to dispose finally of the litigation so as to preclude further litigation between the parties on the same subject matter, thereby avoiding a multiplicity of suits between the parties and their privies and successors-in-interests.⁵⁶ (Emphasis supplied)

As a final note, the Court clarifies that while it has declared TCT No. NT-210220 null and void, the duty to process the cancellation of said title devolves upon respondents. Additionally, it is the latter's duty to register the

⁵⁴ 843 Phil. 391, 408 (2018) [Per J. J. Reyes, Jr., Third Division].

⁵⁵ 817 Phil. 1179 (2017) [Per J. Perlas-Bernabe, Second Division].

⁵⁶ *Id.* at 1191.

new deed of sale as herein compelled so as to secure the issuance of new certificates of title over the subject properties in their names.

ACCORDINGLY, the Petition is **DENIED**. The Decision dated September 30, 2010 and the Resolution dated March 31, 2011 of the Court of Appeals in CA-G.R. CV No. 91937 are **AFFIRMED** with **MODIFICATION**, to read as follows:

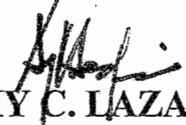
1. Declaring **NULL** and **VOID** the Deed of Absolute Sale dated November 9, 1989 for being fictitious, inexistent, and without legal force and effect.
2. Consequently, Transfer Certificate of Title No. NT-210220 issued in the name of respondents Spouses Felix and Marita Empaynado are hereby declared **NULL** and **VOID** for being issued based on the said forged and fictitious Deed of Absolute Sale dated November 9, 1989.
3. Declaring as **VALID** the undated Deed of Absolute Sale executed by Antonio Lopez and Lolita Francisco in favor of Pedro Lopez.
4. Declaring respondents to be the **LAWFUL** owners and possessors of the subject lot covered by TCT No. NT-148524.
5. Directing petitioners, the Heirs of Antonio Lopez, namely Feliza Lopez-Julian, Maria Lopez-Udon, Pedro Lopez, Merilo Lopez, Sylvia Lopez-De Pana, Julio Lopez, Panfilo Lopez and Leotiquio Lopez, represented by Leotiquio Lopez, to **EXECUTE** pertinent documents required by law to effect the issuance of a new Transfer Certificate of Title in favor of respondents within 30 days from finality of this Decision, in accordance with the prescribed form under Articles 1357 and 1358(1) of the Civil Code of the Philippines. In case of non-compliance with this directive within the said period, respondents have the option to file the proper motion before the court *a quo* to issue an order divesting Pedro Lopez's title to the subject properties under the parameters of Rule 39, Section 10(a) of the Rules of Court.

SO ORDERED.


ANTONIO T. KHO, JR.
Associate Justice

WE CONCUR:

On official leave
MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson

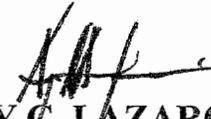

AMY C. LAZARO-JAVIER
Associate Justice
Acting Chairperson


RICARDO R. ROSARIO
Associate Justice


JHOSEP V. LOPEZ
Associate Justice

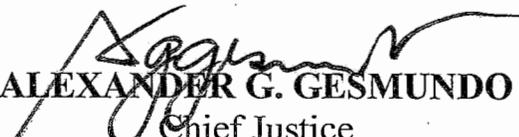
ATTESTATION

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.


AMY C. LAZARO-JAVIER
Associate Justice
Acting Chairperson, Second Division

CERTIFICATION

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

