



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated 11 November 2020 which reads as follows:

“G.R. No. 219179 (*Spouses Nenita L. De Leon and Alejandro A. De Leon v. Heirs of Corazon Lesaca-Cuenco*). – We resolve this appeal by *certiorari*¹ seeking the reversal of the January 30, 2015 Decision² of the Court of Appeals (*CA*) in CA-G.R. CV No. 94995. The *CA* reversed and set aside the September 2, 2009 Decision³ of the Regional Trial Court of Iba, Zambales, Branch 71 (*RTC*) and ordered the reconveyance of the contested realty to the Heirs of Corazon Lesaca-Cuenco (*respondents*).

Antecedents

Corazon Lesaca-Cuenco (*Corazon*) is the registered owner of a 35,615-square meter (*sq. m.*) lot covered by Transfer Certificate of Title (*TCT*) No. T-43521 and located in Brgy. Dirita, Iba, Zambales.⁴ She left the said realty under the care of Felix Macadaan (*Macadaan*) after her family moved to Manila.⁵

Sometime in 2001,⁶ her son, Constantino, visited the property and paid the taxes thereon. However, Constantino discovered that *TCT* No. T-43521 had already been cancelled and a new title, *TCT* No. T-44128 was issued in

¹ *Rollo*, pp. 5-14.

² *Id.* at 16-29; penned by Associate Justice Leoncia Real-Dimagiba, with Associate Justices Andres B. Reyes, Jr. (a retired Member of this Court) and Ramon R. Garcia, concurring.

³ *Id.* at 31-39; rendered by Presiding Judge Consuelo Amog- Bocar.

⁴ *Id.* at 17.

⁵ *TSN* dated April 26, 2005, p. 13.

⁶ The Decision of the *RTC* and the *CA* indicated that it was in June 2002. Constantino testified that he discovered the sale in 2001 (*TSN* dated April 28, 2005, p. 4).

the name of his mother and Spouses Nenita and Alejandro De Leon (Spouses De Leon, *petitioners*).⁷ The new title covered a 12,421-sq. m. lot of which 10,000 sq. m. was registered under his mother's name, while the remaining 2,421 sq. m. was under the names of Spouses De Leon.⁸ Constantino also found that Macadaan used a falsified Special Power of Attorney (*SPA*)⁹ to sell a portion of his mother's property measuring 316 sq. m. in favor of petitioners and which was included in the property registered under petitioners' name in TCT No. T-44128.

In her Complaint¹⁰ for Reconveyance and Cancellation of Title, Corazon alleged that she executed an SPA in favor of Macadaan on November 16, 1988 and specified his authority as follows:

1. To represent me at any stage of the proceedings in Civil Case [No. 1081-I] entitled Corazon Lesaca Cuenco assisted by her husband Francisco Cuenco versus Martin Novicio, et al., now pending before the Regional Trial Court of Iba, Zambales, Branch 69;
2. To testify for and in my behalf in Civil Case [No. 1081-I], and to make admissions, stipulation of facts in Civil Case [No. 1081-I];
3. To enter into compromise agreement in Civil Case [No. 1081-I] now pending before the Regional Trial Court of Iba, Zambales, Bra[n]ch 69;
4. To make, sign, execute, and deliver contracts, documents, agreements, and other writings of whatever nature or kind, with any and all third persons, concerns or entities, upon terms and conditions acceptable to my said attorney[.]¹¹

Corazon alleged that the same SPA had been altered by insertion of another paragraph to make it appear that Macadaan had the authority "to sell, transfer and convey" her real properties. The altered SPA, which was annotated in TCT No. T-44128, reads as follows:

1. To represent me at any stage of the proceedings in Civil Case [No. 1081-I] entitled Corazon Lesaca Cuenco assisted by her husband Francisco Cuenco versus Martin Novicio, et al., now pending before the Regional Trial Court of Iba, Zambales, Branch 69[;]

⁷ TSN dated April 26, 2005, pp. 10-11.

⁸ *Rollo*, p. 17.

⁹ Records, p. 24.

¹⁰ Id. at 1-12.

¹¹ Id. at 25.

2. To sell, transfer and convey any of [illegible] my [illegible] my real properties located in Iba, Zambales, Palauig, Zambales and other parts of the Philippines;¹²

3. To testify for and in my behalf in Civil Case [No. 1081-I], and to make admissions, stipulation of facts in Civil Case [No. 1081-I];

4. To enter into compromise agreement in Civil Case [No. 1081-I] now pending before the Regional Trial Court of Iba, Zambales, Branch 69;

5. To make, sign, execute, and deliver contracts, documents, agreements, and other writings of whatever nature or kind, with any and all third persons, concerns or entities, upon terms and conditions acceptable to may said attorney;¹³

During trial, Corazon presented her counsel in Civil Case No. 1081-I, Atty. Aida D. Dizon (*Atty. Dizon*), who prepared and notarized the subject SPA. Atty. Dizon testified that the SPA she prepared and which Corazon executed only authorized Macadaan to appear for and represent the former in Civil Case No. 1081-I; that Corazon did not give instructions to modify the SPA that she prepared; that she had no knowledge if Corazon and Macadaan added other provisions on the same; and that she cannot anymore retrieve the original copy of the said SPA from the National Archives of the Philippines (*NAP*) as she was informed by the office that the entire set had been gutted by fire.¹⁴

Petitioners denied the allegations and contended that their acquisition of the land was lawful and valid.¹⁵

RTC Decision

On September 2, 2009, the RTC promulgated a Decision dismissing the complaint for lack of merit. The trial court ruled that the respondents failed to prove the alleged falsification of the SPA; that Atty. Dizon's testimony was inconclusive because of the failure to present the original copy of the SPA; and that the respondents failed to prove that Spouses De Leon were buyers in bad faith.¹⁶

¹² No space appeared between paragraphs 1 and 2.

¹³ Records, p. 24.

¹⁴ TSN dated February 8, 2006, pp. 2-12.

¹⁵ Records, pp. 32-33.

¹⁶ *Rollo*, pp. 37-39.

Aggrieved, respondents appealed to the CA.

CA Decision

In the assailed January 30, 2015 Decision, the CA granted the appeal and disposed as follows:

WHEREFORE, foregoing considered, the herein appeal is **GRANTED**. Accordingly[,] the assailed decision of the court *a quo* is hereby **REVERSED** and **SET ASIDE**.

The [petitioners] are ordered to reconvey to the [respondents] the 316[-]square meter lot, part of TCT No. T-44128.

Furthermore, the [petitioners] are hereby ordered to pay the [respondents] the following amounts by way of damages:

- a) The amount of [P]50,000.00 as moral damages;
- b) The amount of [P]50,000.00 as exemplary damages; and
- c) The amount of [P]50,000.00 as attorney's fees.

SO ORDERED.¹⁷

The CA held that the testimonies of Constantino and Atty. Dizon, as well as the physical appearance of the SPA, established that the SPA executed by Corazon had been falsified. The appellate court also held that petitioners cannot be considered as buyers in good faith because they should have been wary in dealing with persons other than the seller, especially on how paragraph 2 of the subject SPA was typewritten.¹⁸

Hence, this petition.

Issues

Petitioners raise the following issues in their petition:

I

WHETHER OR NOT THE NOTARIZED SPECIAL POWER OF ATTORNEY AUTHORIZING FELIX MACADAAN TO SELL OR CONVEY THE PROPERTIES OF CORAZON LESACA CUENCO [WAS] A FALSIFIED DOCUMENT;

¹⁷ Id. at 28-29.

¹⁸ Id. at 26-28.

II

WHETHER OR NOT THE PETITIONERS ARE BUYERS IN GOOD FAITH.¹⁹

Petitioners posit that the CA erred in ruling that the presumption of regularity of public documents has been overcome by the testimony of Atty. Dizon, considering that she neither categorically impugned the genuineness of the SPA nor presented the original copy of the SPA. They argue that only clear and convincing evidence can overcome the presumption of regularity of public documents which was not satisfied by the testimonies of respondents' witnesses. Petitioners also insist that they were innocent purchasers for value and that respondents failed to present any evidence that may tend to prove that they colluded with Macadaan in registering the contested property under their name.²⁰

Respondents counter that petitioners raise factual matters which are beyond the scope of a petition for review under Rule 45; that the CA did not err in its findings; and that petitioners cannot be buyers in good faith because TCT No. T-43521 from which TCT No. T-44128 originated had not yet been issued when they purchased the subject realty on May 10, 1993.²¹

Our Ruling

The petition lacks merit.

It is a basic rule that a Petition for Review under Rule 45 of the Rules of Court should raise only questions of law. The determination of good faith and whether petitioners exercised due diligence in buying²² or registering the property are questions of fact,²³ and thus beyond the matters that can be reviewed in a petition filed under Rule 45.

¹⁹ Id. at 8.

²⁰ Id. at 8-11.

²¹ Id. at 55-56.

²² *Dela Cruz-Pascual v. Development Bank of the Philippines*, G.R. No. 213637, August 28, 2019 (Resolution); *Heirs of Lucio Acosta v. Macatangay*, G.R. No. 206208, January 31, 2018 (Notice).

²³ *Allied Banking Corporation v. Mateo*, 606 Phil. 535, 542 (2009).

Although the conflicting findings between the CA and the trial court constitute as an exception to the above rule,²⁴ petitioners' arguments failed to convince that the instant case merits such exemption. In the event of conflicting findings by the trial court and the CA, there should be a showing on the face of the records of gross or extraordinary misperception or manifest bias by the CA in appreciating the evidence.²⁵

Here, the CA held that based on how paragraph 2 was typewritten on the SPA, petitioners should have looked into the authenticity of the document.²⁶ We agree with the CA. Indeed, a purchaser cannot close his eyes to facts that should put a reasonable man on his guard and still claim he acted in good faith.²⁷

Moreover, petitioner Nenita testified that she saw the original title (TCT No. T-43521) before purchasing the contested property.²⁸ However, as pointed out by respondents in their Comment²⁹ and in the Memorandum³⁰ submitted to the RTC, TCT No. T-43521 was only issued on August 13, 1993 while the sale of the 316-sq. m. lot occurred on May 10, 1993.³¹ Evidently and contrary to the testimony of Nenita, petitioners could not have examined TCT No. T-43521 prior to the sale because it was inexistent at that time. Neither can the required diligence be satisfied when petitioners merely showed the SPA to their counsel who remarked that "everything is [okay]."³² Hence, the CA did not err in finding petitioners to have failed to exercise the degree of diligence required of buyers in good faith.

²⁴ The following are the recognized instances where factual findings may be reviewed by this Court: (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record. (*Pascual v. Burgos*, 776 Phil. 167, 182-183 [2016]).

²⁵ *Fernan v. Court of Appeals*, 260 Phil. 594, 598 (1990).

²⁶ *Rollo*, p. 27.

²⁷ *Uy v. Fule*, 737 Phil. 290, 307 (2014).

²⁸ TSN dated September 6, 2007, p. 3.

²⁹ *Rollo*, pp. 49-61.

³⁰ Records, pp. 448-493.

³¹ *Rollo*, pp. 55-56; Records, p. 477.

³² TSN dated May 24, 2007, p. 7.

Petitioners, however, argue that the presumption of regularity of public documents had not been overturned by the testimonies of respondents' witnesses. As such, the CA seriously erred in concluding that the SPA annotated in TCT No. 44128 was fraudulent.

We disagree.

A notarized document, such as the subject SPA herein, is a public document that enjoys a presumption of regularity which may only be rebutted by evidence so clear, strong and convincing as to exclude all controversy as to falsity. The burden of proof to overcome said presumptions lies with the party contesting the notarial document.³³

In here, the conclusion by the CA that the questioned SPA was a sham document was supported by clear and convincing evidence. The CA did not only rely on the testimonies of Constantino and Atty. Dizon, but also based its conclusion on the physical appearance of the SPA. The CA exhaustively explained its findings in the following manner:

The notary public who notarized the SPA in issue had testified that the SPA (sans the authority to sell) was the document that she had prepared, notarized and surrendered to Mrs. Cuenco's son, Tito Cuenco, after the termination of the case docketed as Civil Case No. [1081-I] and further testified that the true SPA was made for the purpose of representing Mrs. Cuenco in a civil case, docketed as RTC-[1081-I].

x x x x

The notary public further testified that after the document was executed and notarized, Mrs. Cuenco left for the United States and that as a notary public she submitted the duplicate to the Clerk of Court, "*the original goes to the party concerned, so the original was given including some duplicates to Mr. Macadaan, but the duplicate that we submitted is no longer available because the entire set was gutted (sic) by fire, your Honor, but I can only say, my file copy was turned over to Mr. Tito Cuenco.*"

With the above testimony and the testimony of Mr. Tito Cuenco who categorically stated that he was present when the SPA was signed by his mother and he even read the said document before his mother signed it, it can preponderantly prove that indeed the SPA (Exh "H") used as basis for the sale and transfer of the disputed lot to Nenita De Leon is a falsified

³³ *Riguer v. Mateo*, 811 Phil. 538, 550 (2017), citing *Dela Peña v. Avila*, 681 Phil. 553, 567 (2012); citations omitted.

document as it bears an intercalated provision authorizing Mr. Macadaan to sell and encumber any of the plaintiff's properties.

The presumption of regularity attached to a public document, relied upon by the court *a quo* has been overcome by the testimony of Atty. Aida Dizon, the lawyer who prepared the Special Power of Attorney signed by the parties which did not include the questioned provision. Aside from the testimony of Atty. Dizon, the physical appearance of the document: how the assailed provision was written in the SPA being cramped up between two (2) provisions; the fact that the provision was not germane to the other provisions of the SPA which all touched on the representation of Mr. Macadaan in behalf of the plaintiff in the Civil Case; the fact that the inserted provision did not bear the signatures or even initials of plaintiff and the attorney-in-fact beef up this Court's belief that the portion was intercalated. The testimony of Atty. Dizon who prepared and notarized the document is the only credible secondary evidence available considering that the original copy of the document was gutted by fire and both signatories to the document are already dead.

Thus, the SPA being a fictitious and a sham document and the defendants knowing the true owner of the property, defendants De Leon cannot be considered buyers in good faith. By the looks of the document itself especially on how paragraph 2 was typewritten should have sent a strong signal to the defendants to look into its authenticity, which conveniently defendants did not.³⁴

However, petitioners insist that Atty. Dizon did not categorically impugn the genuineness of the subject SPA.³⁵ We find this to be incorrect because Atty. Dizon had been certain that the SPA she prepared and notarized on November 16, 1988 only authorized Macadaan to represent Corazon in a pending civil case. We do not find any reason to disbelieve the testimony of Atty. Dizon considering that she is an officer of the court. There can be no better witness to prove the real contents of the SPA signed by Corazon other than Atty. Dizon who prepared and notarized the same.

Furthermore, both SPAs bore identical notarial entry details, *i.e.*, Doc. No. 400, Page No. 81, Book No. 7, Series of 1988.³⁶ As between the two (2) SPAs, We agree with the CA's keen observation that on its face, the document annotated in TCT No. T-44128 was fraudulent for carrying an intercalated provision which did not appear in the SPA prepared and notarized by Atty. Dizon.

³⁴ *Rollo*, pp. 23-27.

³⁵ *Id.* at 9.

³⁶ *Records*, pp. 24-25.

As regards the non-presentation of the original copy of the SPA, We hold that the CA did not commit a mistake in relying on photocopies of the same. Although the best evidence rule requires that the original document be produced whenever its contents are the subject of inquiry,³⁷ We note that petitioners did not object to respondents' formal offer of the photocopy of the SPA.³⁸ As such, their objection shall be considered as waived, *viz.*:

The best evidence rule requires that when the subject of inquiry is the contents of a document, no evidence is admissible other than the original document itself except in the instances mentioned in Section 3, Rule 130 of the Revised Rules of Court. As such, mere photocopies of documents are inadmissible pursuant to the best evidence rule. Nevertheless, evidence not objected to is deemed admitted and may be validly considered by the court in arriving at its judgment. Courts are not precluded to accept in evidence a mere photocopy of a document when no objection was raised when it was formally offered.

In order to exclude evidence, the objection to admissibility of evidence must be made at the proper time, and the grounds specified. Objection to evidence must be made at the time it is formally offered. In case of documentary evidence, offer is made after all the witnesses of the party making the offer have testified, specifying the purpose for which the evidence is being offered. It is only at this time, and not at any other, that objection to the documentary evidence may be made. And when a party failed to interpose a timely objection to evidence at the time they were offered in evidence, such objection shall be considered as waived. This is true even if by its nature the evidence is inadmissible and would have surely been rejected if it had been challenged at the proper time. Moreover, grounds for objection must be specified in any case. Grounds for objections not raised at the proper time shall be considered waived, even if the evidence was objected to on some other ground. Thus, even on appeal, the appellate court may not consider any other ground of objection, except those that were raised at the proper time.³⁹

Given the foregoing discussion, the CA did not commit reversible error in finding that the SPA used as basis for the sale of the contested 316-sq. m. land was false and that petitioners were not buyers in good faith.

³⁷ Rules of Court, Rule 130, Section 3.

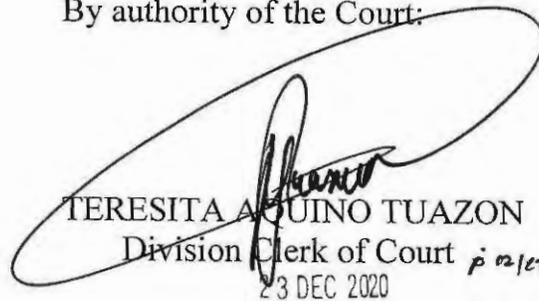
³⁸ Records, p. 316, RTC Order dated January 2, 2007.

³⁹ *Lorenzana v. Lelina*, 793 Phil. 271, 281-283 (2016); citations omitted.

WHEREFORE, the Court **DENIES** the Petition for Review for being unmeritorious; **AFFIRMS** the January 30, 2015 Decision of the Court of Appeals in CA-G.R. CV No. 94995; and **ORDERS** petitioners **TO PAY** costs of suit.

SO ORDERED. (Rosario, *J.*, designated additional member per Special Order No. 2797 dated November 5, 2020)”

By authority of the Court:


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 Division Clerk of Court *p. 02/03*
 23 DEC 2020

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