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Wilfredo V. Lapitan
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Third Division
JAN 11 2019



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

SINDOPHIL, INC.,
Petitioner,

G.R. No. 204594

Present:

PERALTA, J., Chairperson,
LEONEN,
REYES, A., JR.,
GESMUNDO*, and
REYES, J., JR.**, JJ.

-versus-

REPUBLIC OF THE
PHILIPPINES,
Respondent.

Promulgated:

November 7, 2018.

X-----*Wilfredo V. Lapitan*-----X

DECISION

LEONEN, J.:

The presumption that a holder of a Torrens title is an innocent purchaser for value is disputable and may be overcome by contrary evidence. Once a *prima facie* case disputing this presumption is established, the adverse party cannot simply rely on the presumption of good faith and must put forward evidence that the property was acquired without notice of any defect in its title.

This resolves Sindophil, Inc.'s (Sindophil) Petition for Review on Certiorari¹ assailing the June 19, 2012 Resolution² and November 23, 2012

* On wellness leave.

** On wellness leave.

¹ Rollo, pp. 9-31.

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Resolution³ of the Court of Appeals in CA–G.R. CV No. 96660. The Court of Appeals deemed as abandoned and, consequently, dismissed Sindophil’s joint appeal with a certain Marcelo R. Teodoro (Teodoro) for their failure to file their Appellants’ Brief within the required period.⁴

This case involves a 2,791-square-meter parcel of land (Tramo property) located on Aurora Boulevard (Tramo), Pasay City, currently in Sindophil’s possession. Sindophil anchors its right to the Tramo property on Transfer Certificate of Title (TCT) No. 132440, which was purportedly issued by the Register of Deeds of Pasay City.⁵

On July 27, 1993, the Republic of the Philippines filed a Complaint⁶ for revocation, annulment, and cancellation of certificates of title before the Pasay City Regional Trial Court, and impleaded Sindophil as one of the defendants.

In its Complaint, the Republic alleged that per TCT No. 10354,⁷ issued by the Register of Deeds of Pasay City, the Tramo property was initially registered under the name of Teodoro on November 12, 1964. Teodoro then sold it to a certain Reynaldo Puma (Puma), causing the cancellation of TCT No. 10354 and the issuance of TCT No. 128358.⁸ Subsequently, Puma sold it to a certain Lourdes Ty (Ty). Puma’s TCT No. 128358 was cancelled and TCT No. 129957 was issued to Ty.⁹ Finally, on May 3, 1991,¹⁰ Ty sold the property to Sindophil, causing the cancellation of TCT No. 129957 and the issuance of TCT No. 132440 to Sindophil on March 24, 1993.¹¹

Despite the issuance of certificates of title over the Tramo property, the Republic claimed that TCT No. 10354 in the name of Teodoro was “spurious or of doubtful authenticity.”¹² For one, the registry records of the Register of Deeds of Pasay City showed that it was issued for a parcel of land in the name of a certain Maximo Escobar, not Teodoro.¹³ Another instance was that Teodoro’s TCT No. 10354 provided that it emanated from

² Id. at 32–33. The Resolution was penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Jane Aurora C. Lantion and Eduardo B. Peralta, Jr. of the Fourteenth Division, Court of Appeals, Manila.

³ Id. at 34–36. The Resolution was penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Jane Aurora C. Lantion and Eduardo B. Peralta, Jr. of the Former Fourteenth Division, Court of Appeals, Manila.

⁴ Id. at 32.

⁵ Id. at 10.

⁶ Id. at 40–47.

⁷ Id. at 48–49.

⁸ Id. at 50–51.

⁹ Id. at 52–53.

¹⁰ Id. at 43.

¹¹ Id. at 54–55.

¹² Id. at 43.

¹³ Id.

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TCT No. 3632; but the memorandum of cancellation annotated on TCT No. 3632 provided that it was cancelled by TCT No. 8081 issued to a certain Efigenia A. Vda. de Inocencio, not by TCT No. 10354 supposedly issued to Teodoro.¹⁴ Furthermore, TCT No. 10354 provided that it covered Lot 3270-B of the subdivision plan Psd-18572, allegedly a portion of Lot 3270 registered in the name of the Republic of the Philippines under TCT No. 6735. An examination of TCT No. 6735, however, revealed that it was never subdivided and that it remained under the name of the Republic. Neither was there a record of subdivision plan Psd-18572 recorded with the Department of Environment and Natural Resources.¹⁵ For these reasons, the Republic argued that TCT No. 10354 and all certificates of title that emanated from it, including Sindophil's TCT No. 132440, were null and void and should accordingly be cancelled.¹⁶

In their Answer,¹⁷ Teodoro, Puma, Ty, and Sindophil countered that the Republic was estopped from questioning the transfers considering that it had allowed the series of transfers and even accepted the "tremendous amount[s] paid"¹⁸ as capital gains tax. They added that the Complaint was filed because of the Register of Deeds' "personal grudge"¹⁹ against them because they had questioned a consulta issued by the Register of Deeds before the Administrator of the Land Registration Authority.²⁰ Finally, they contended that they were innocent purchasers for value and, in the absence of evidence to the contrary, reconveyance should not lie.²¹ Arguing that the Republic had no cause of action against them, they prayed for the dismissal of the Complaint.²²

During trial, only the Republic was able to present its evidence. Defendants Teodoro, Puma, Ty, and Sindophil were all deemed to have waived their right to present evidence when they failed to present any evidence or witness despite several settings. The parties were then ordered to file their respective memoranda; but instead of filing a memorandum, Sindophil filed a Motion to Re-Open Case,²³ praying that it be allowed to present evidence that it was a buyer in good faith. As to why it failed to present evidence during trial, Sindophil explained that its witness, Sindophil President Victoria Y. Chalid (Chalid), suffered a stroke which prevented her from testifying during trial.²⁴ Lastly, it pointed out that the Regional Trial Court granted the Republic a total of 110 days to file a formal offer of evidence. Thus, Sindophil prayed that it be "given equal opportunity to

¹⁴ Id. at 44.

¹⁵ Id.

¹⁶ Id. at 45-46.

¹⁷ Id. at 70-75.

¹⁸ Id. at 71.

¹⁹ Id.

²⁰ Id. at 71-72.

²¹ Id. at 72-74.

²² Id. at 75.

²³ Id. at 119-127.

²⁴ Id. at 119.

present [its] defense since the [Regional Trial Court] had been very lenient to [the Republic's counsel,] the Office of the Solicitor General[.]”²⁵

The Regional Trial Court, however, went on to decide the case without acting on Sindophil's Motion to Re-Open Case. In its November 13, 2009 Decision,²⁶ it ruled in favor of the Republic and voided the certificates of title issued to defendants Teodoro, Puma, Ty, and Sindophil. It found that the Tramo property claimed by Teodoro under TCT No. 10354 was derived from TCT No. 6735 registered in the name of the Republic.²⁷ However, no annotation of the supposed transfer to Teodoro was annotated on TCT No. 6735.²⁸

On the claim of defendants that they were innocent purchasers for value, the Regional Trial Court said that this defense was “just a mere [assertion] and was never supported by any documents.”²⁹ It stated that defendants failed to discharge the burden of proving that they were purchasers in good faith and for value, thus, rejecting their argument.³⁰

The dispositive portion of the Regional Trial Court November 13, 2009 Decision read:

WHEREFORE, in view of the foregoing, TCT No. 10354 in the name of Marcelo R. Teodoro and all subsequent titles derived therein, TCT Nos. 128358, 129957 and 132440, in the names of Reynaldo Puma, Lourdes Ty and Sindophil, Inc., respectively, are hereby declared **Null and Void**. The Re[gi]ster of Deeds is hereby ordered to effect the cancellation of the same. Likewise, defendants are hereby directed to refrain from exercising or representing acts of ownership and/or possession over the land covered by the titles declared Null and Void.

SO ORDERED.³¹ (Emphasis in the original)

Sindophil, together with Teodoro, appealed before the Court of Appeals.³² However, for failure to file their appellants' brief within the required period, the Court of Appeals deemed the appeal abandoned and consequently dismissed it. The Court of Appeals June 19, 2012 Resolution³³ stated:

²⁵ Id. at 125.

²⁶ Id. at 37–38. The Decision, docketed as Civil Case No. 93-10146, was penned by Presiding Judge Jesus B. Mupas of Branch 112, Regional Trial Court, Pasay City.

²⁷ Id. at 37.

²⁸ Id. at 38.

²⁹ Id.

³⁰ Id.

³¹ Id.

³² Id. at 151–152.

³³ Id. at 32.

In view of the failure of the defendants-appellants to file their Appellants' Brief within the period allowed to them, we hereby consider their appeal as **ABANDONED** and, consequently, **DISMISSED** pursuant to Section 1(e) of Rule 50 of the 1997 Rules of Civil Procedure.

IT IS SO ORDERED.³⁴ (Emphasis in the original)

Sindophil filed a Motion for Reconsideration³⁵ with its appellant's brief³⁶ annexed to it. It explained that it failed to file its appeal brief on time because its counsel, Atty. Rovenel O. Obligar (Atty. Obligar), transferred his law office from Pasig City to Las Piñas City and, in the process, his house helpers probably lost or inadvertently disposed of the Resolution directing the filing of appeal brief.³⁷

In its November 23, 2012 Resolution,³⁸ the Court of Appeals denied Sindophil's Motion for Reconsideration, thus:

This has reference to the motion filed by the defendant-appellant Sindophil, Inc., through its counsel, for reconsideration of the resolution promulgated in this case on June 19, 2012.

We find no cogent reason to warrant a reconsideration of the aforementioned resolution. The petitioner, through its counsel, admitted in its motion that it committed lapses. It has to suffer the consequence of such lapses.

Procedural rules have their own wholesome rationale in the orderly administration of justice. Justice is to be administered according to the rules in order to obviate arbitrariness, caprice or whimsicality (*Vasco vs. Court of Appeals*, G.R. No. L-46763, February 28, 1978, 81 SCRA 763, 766).

Thus, procedural rules are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party's substantive rights. Like all rules, they are required to be followed except only when, for the most persuasive of reasons, they may be relaxed to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed. While it is true that litigation is not a game of technicalities, this does not mean that the Rules of Court may be ignored at will and at random to the prejudice of the orderly presentation and assessment of the issues and their just resolution. As held by the Supreme Court in *Garbo vs. Court of Appeals*, G.R. No. 107698, July 5, 1996, 258 SCRA 159:

“Procedural rules are tools designed to facilitate the adjudication of cases. Courts and litigants alike are thus enjoined to abide strictly by the rules. And while the

³⁴ Id. At 32.

³⁵ Id. at 158–162.

³⁶ Id. at 163–177.

³⁷ Id. at 159.

³⁸ Id. at 34–36.

Court, in some instances, allows a relaxation in the application of the rules, this, we stress, was never intended to forge a bastion of erring litigants to violate the rules with impunity. The liberality in the interpretation and application of the rules applies only in proper cases and under justifiable causes and circumstances. While it is true that litigation is not a game of technicalities, it is equally true that every case must be prosecuted in accordance with the prescribed procedure to insure an orderly and speedy administration of justice.”

Procedural rules, therefore, are not to be disdained as mere technicalities that may be ignored at will to suit the convenience of a party (*Santos vs. Court of Appeals*, G.R. No. 92862, July 4, 1991, 198 SCRA 806). We find the instant case to be not an exception to the aforementioned rule.

WHEREFORE, in view of the foregoing premises, we hereby **DENY** the motion for reconsideration filed in this case by the defendant-appellant Sindophil, Inc.

SO ORDERED.³⁹

On January 18, 2013, Sindophil filed its Petition for Review on Certiorari⁴⁰ before this Court. After four (4) Motions⁴¹ for Extension, the Republic filed its Comment⁴² on July 15, 2013. In its July 31, 2013 Resolution,⁴³ this Court noted the Comment and directed Sindophil to file its Reply within 10 days from notice.

Sindophil was served a copy of the Comment on September 18, 2013 and had until September 28, 2013 to file its Reply.⁴⁴ However, Sindophil failed to file its Reply within the required period and its counsel was required to show cause⁴⁵ why he should not be disciplinarily dealt with and was again required to file a Reply. On May 15, 2014, Sindophil filed its Reply⁴⁶ with its counsel apologizing for failing to file it within the required period “because he honestly believed that the filing of one is optional and not mandatory.”⁴⁷ This Court noted the Reply in its July 7, 2014 Resolution.⁴⁸

The parties raise both procedural and substantive issues for resolution of this Court. The procedural issues in this case are:

³⁹ Id. at 34–35.

⁴⁰ Id. at 9–31.

⁴¹ Id. at 179–182, 183–186, 187–191, and 192–196.

⁴² Id. at 197–219.

⁴³ Id. at 424.

⁴⁴ Id. at 424-A.

⁴⁵ id. at 425.

⁴⁶ Id. at 428–455.

⁴⁷ Id. at 453.

⁴⁸ Id. at 462.

First, whether or not the Court of Appeals erred in dismissing Sindophil's appeal for failure to file an appeal brief within the required period; and

Second, whether or not the Regional Trial Court erred in deciding the case despite Sindophil's filing of a Motion to Re-Open Case.

The substantive issues are:

First, whether or not the certificates of title emanating from TCT No. 10354 are null and void; and

Second, whether or not the Regional Trial Court erred in not awarding Sindophil, compensation from the Assurance Fund.

On the procedural issues, Sindophil mainly argues that it was deprived of the right to "genuine" due process both by the Regional Trial Court and the Court of Appeals. According to Sindophil, its failure to present evidence during trial and its failure to file the appeal brief within the required period are "technical grounds"⁴⁹ that the Regional Trial Court and the Court of Appeals could have excused in the interest of substantial justice.

On the merits, Sindophil maintains that when it bought the Tramo property from Ty, it was a buyer in good faith and had no notice of any infirmities in his title.⁵⁰ Considering that under the Torrens System, "[a] purchaser is not bound by the original certificate of title but only by the certificate of title of the person from whom he purchased the property[,]"⁵¹ the Regional Trial Court erred in voiding its title to the Tramo property because of the supposed anomalies surrounding the issuance of TCT No. 10354 to Teodoro. Assuming that its title is indeed void, Sindophil nevertheless argues that it should have been awarded compensation from the Assurance Fund per Section 95⁵² of the Property Registration Decree, as amended.⁵³

⁴⁹ Id. at 26.

⁵⁰ Id. at 17-21.

⁵¹ Id. at 20.

⁵² PROPERTY REGISTRATION DECREE, sec. 95 provides:

Section 95. *Action for compensation from funds.* — A person who, without negligence on his part, sustains loss or damage, or is deprived of land or any estate or interest therein in consequence of the bringing of the land under the operation of the Torrens system or arising after original registration of land, through fraud or in consequence of any error, omission, mistake or misdescription in any certificate of title or in any entry or memorandum in the registration book, and who by the provisions of this Decree is barred or otherwise precluded under the provision of any law from bringing an action for the recovery of such land or the estate or interest therein, may bring an action in any court of competent jurisdiction for the recovery of damages to be paid out of the Assurance Fund.

⁵³ *Rollo*, pp. 21-23.

As for respondent, it argues that there was no deprivation of due process because Sindophil was given more than enough opportunity to present its case but repeatedly and unjustifiably failed to do so. Its reasons for failing to file the appeal brief—the Resolution directing the filing of the brief was lost either because of its counsel’s transfer of office from Pasig City to Las Piñas City or because it might have been disposed by the counsel’s house helpers—are inexcusable and are all due to the negligence of its counsel. With appeal being a mere statutory privilege, respondent argues that the Court of Appeals did not err in dismissing Sindophil’s appeal for failure to comply with the Rules of Court.⁵⁴

Furthermore, respondent maintains that the issue of whether a buyer is in good faith is a question of fact. The issue of whether Sindophil is entitled to compensation from the Assurance Fund is likewise a question of fact as entitlement to compensation presupposes that the claimant is a buyer in good faith. These issues being questions of fact, respondent argues that this Court may not resolve them because only questions of law may be brought before this Court on a petition for review on certiorari under Rule 45 of the Rules of Court.⁵⁵ In any case, even if the case is resolved on the merits, respondent avers that Sindophil still had the burden of proving that it was a buyer in good faith, an assertion that Sindophil miserably failed to establish. According to respondent, it was error for Sindophil to rely solely on the presumption of good faith without proving its case.⁵⁶

This Petition must be denied.

I

Rule 50, Section 1(e) of the Rules of Court is the basis for dismissing an appeal for failure to file the appellant’s brief within the required period:

RULE 50 *Dismissal of Appeal*

Section 1. *Grounds for Dismissal of Appeal.* — An appeal may be dismissed by the Court of Appeals, on its own motion or on that of the appellee, on the following grounds:

....

- (e) Failure of the appellant to serve and file the required number of copies of his brief or memorandum within the time provided by these Rules[.]

⁵⁴ Id. at 211–215.

⁵⁵ Id. at 204–206.

⁵⁶ Id. at 206–208.

With the use of the permissive “may,” it has been held that the dismissal is directory, not mandatory, with the discretion to be exercised soundly and “in accordance with the tenets of justice and fair play”⁵⁷ and “having in mind the circumstances obtaining in each case.”⁵⁸ In *Bigornia v. Court of Appeals*.⁵⁹

Technically, the Court of Appeals may dismiss an appeal for failure of the appellant to file the appellants’ brief on time. But, the dismissal is *directory*, not *mandatory*. Hence, the court has discretion to dismiss or not to dismiss the appeal. It is a power conferred on the court, not a duty. The discretion, however, must be a sound one, to be exercised in accordance with the tenets of justice and fair play, having in mind the circumstances obtaining in each case.⁶⁰ (Emphasis in the original, citation omitted)

In *Bigornia*, this Court ordered the reinstatement of the appeal despite the late filing of the appellant’s brief. The petitioners in *Bigornia* were police officers who, this Court said, “receive meager salaries for risking life and limb.”⁶¹ With the police officers having been adjudged liable for substantial amounts in damages, this Court said that “[i]t is but fair that [petitioners] be heard on the merits of their case before being made to pay damages, for what could be, a faithful performance of duty.”⁶²

The appeal was likewise reinstated in *Aguam v. Court of Appeals*,⁶³ where a motion for extension of time to file appellant’s brief was denied by the Court of Appeals for having been filed nine (9) days⁶⁴ beyond the period for filing the appellant’s brief. The motion for reconsideration with attached appellant’s brief was likewise denied.⁶⁵ However, it was established that the notice to file appellant’s brief was received by an employee of the realty firm with whom the appellant’s lawyer was sharing office, not by the appellant’s lawyer who was a solo practitioner.⁶⁶ Thus, this Court ordered the Court of Appeals to admit the appellant’s brief in the higher interest of justice.⁶⁷

The same extraordinary circumstances similar to *Bigornia* and *Aguam* are *not* present here. In Sindophil’s Motion for Reconsideration⁶⁸ before the Court of Appeals, Sindophil’s counsel, Atty. Obligar, explained that his law

⁵⁷ *Bigornia v. Court of Appeals*, 600 Phil. 693, 698 (2009) [Per J. Quisumbing, Second Division].

⁵⁸ *Id.*

⁵⁹ 600 Phil. 693 (2009) [Per J. Quisumbing, Second Division].

⁶⁰ *Id.* at 698.

⁶¹ *Id.*

⁶² *Id.*

⁶³ 388 Phil. 587 (2000) [Per J. Pardo, First Division].

⁶⁴ *Id.* at 595.

⁶⁵ *Id.* at 592.

⁶⁶ *Id.* at 594–595.

⁶⁷ *Id.* at 595.

⁶⁸ *Rollo*, pp. 158–162.

office used to be located in Pasig City. However, when two (2) of his staff left due to “family reasons,”⁶⁹ he had to transfer his office to Las Piñas City, which was near Parañaque City where he resided. He then speculated that in the course of the transfer, the Court of Appeals’ resolution directing Sindophil to file its appeal brief might have been one of the files lost or inadvertently disposed of by his house helpers.⁷⁰

Atty. Obligar’s excuse is unacceptable. While he is not prohibited from hiring clerks and other staff to help him in his law practice, it is still, first and foremost, his duty to monitor the receipt of notices such as the Court of Appeals’ resolution directing the filing of the appellant’s brief. He cannot blame his staff or house helpers as it is already settled that the negligence of the clerks and employees of a lawyer binds the latter.⁷¹ That he is not even sure what happened to the Resolution shows his carelessness, and this negligence is one that ordinary diligence could have guarded against. He should have devised a system in his law office whereby his clerks are to immediately route the notices they receive to the handling lawyer because the reglementary period for filing an appeal brief runs from their receipt.⁷² Under the circumstances, the Court of Appeals exercised its discretion soundly by deeming Sindophil’s appeal as abandoned and, consequently, dismissing the appeal.

II

Neither did the Regional Trial Court err in deciding the case despite Sindophil’s filing of a Motion to Re-Open Case.

The order of trial is governed by Rule 30, Section 5 of the Rules of Court, with item (f) specifically governing the reopening of a case to introduce new evidence, thus:

Section 5. *Order of trial.* — Subject to the provisions of Section 2 of Rule 31, and unless the court for special reasons otherwise directs, the trial shall be limited to the issues stated in the pre-trial order and shall proceed as follows:

- (a) The plaintiff shall adduce evidence in support of his complaint;
- (b) The defendant shall then adduce evidence in support of his defense, counterclaim, cross-claim and third-party complaint;

⁶⁹ Id. at 158.

⁷⁰ Id. at 159.

⁷¹ *Negros Stevedoring Co., Inc. v. Court of Appeals*, 245 Phil. 328, 333 (1988) [Per J. Padilla, Second Division].

⁷² Id.

- (c) The third-party defendant, if any, shall adduce evidence of his defense, counterclaim, cross-claim and fourth-party complaint;
- (d) The fourth-party, and so forth, if any, shall adduce evidence of the material facts pleaded by them;
- (e) The parties against whom any counterclaim or cross-claim has been pleaded, shall adduce evidence in support of their defense, in the order to be prescribed by the court;
- (f) The parties may then respectively adduce rebutting evidence only, unless the court, for good reasons and in the furtherance of justice, permits them to adduce evidence upon their original case; and
- (g) Upon admission of the evidence, the case shall be deemed submitted for decision, unless the court directs the parties to argue or to submit their respective memoranda or any further pleadings.

If several defendants or third-party defendants, and so forth, having separate defenses appear by different counsel, the court shall determine the relative order of presentation of their evidence. (Underscoring provided)

*Republic v. Sandiganbayan*⁷³ explained Rule 30, Section 5 in this wise:

Under this rule, a party who has the burden of proof must introduce, at the first instance, all the evidence he relies upon and such evidence cannot be given piecemeal. The obvious rationale of the requirement is to avoid injurious surprises to the other party and the consequent delay in the administration of justice.

A party's declaration of the completion of the presentation of his evidence prevents him from introducing further evidence; but where the evidence is *rebuttal* in character, whose necessity, for instance, arose from the shifting of the burden of evidence from one party to the other; or where the evidence sought to be presented is in the nature of *newly discovered* evidence, the party's right to introduce further evidence must be recognized. Otherwise, the aggrieved party *may* avail of the remedy of *certiorari*.

Largely, the exercise of the court's discretion under the exception of Section 5 (f), Rule 30 of the Rules of Court depends on the attendant facts — i.e., on whether the evidence would qualify as a "good reason" and be in furtherance of "the interest of justice." For a reviewing court to properly interfere with the lower court's exercise of discretion, the petitioner must show that the lower court's action was attended by grave

⁷³ 678 Phil. 358 (2011) [Per J. Brion, En Banc].

abuse of discretion. Settled jurisprudence has defined this term as the capricious and whimsical exercise of judgment, equivalent to lack of jurisdiction; or, the exercise of power in an arbitrary manner by reason of passion, prejudice, or personal hostility, so patent or so gross as to amount to an evasion of a positive duty, to a virtual refusal to perform the mandated duty, or to act at all in contemplation of the law. Grave abuse of discretion goes beyond the bare and unsupported imputation of caprice, whimsicality or arbitrariness, and beyond allegations that merely constitute errors of judgment or mere abuse of discretion.

In *Lopez v. Liboro*, we had occasion to make the following pronouncement:

After the parties have produced their respective direct proofs, they are allowed to offer rebutting evidence only, but, it has been held, the court, for good reasons, in the furtherance of justice, may permit them to offer evidence upon their original case, and its ruling will not be disturbed in the appellate court where no abuse of discretion appears. So, generally, additional evidence is allowed when it is newly discovered, or where it has been omitted through inadvertence or mistake, or where the purpose of the evidence is to correct evidence previously offered. The omission to present evidence on the testator's knowledge of Spanish had not been deliberate. It was due to a misapprehension or oversight.

Likewise, in *Director of Lands v. Roman Archbishop of Manila*, we ruled:

The strict rule is that the plaintiff must try his case out when he commences. Nevertheless, a relaxation of the rule is permitted in the sound discretion of the court. "The proper rule for the exercise of this discretion," it has been said by an eminent author, "is, that material testimony should not be excluded because offered by the plaintiff after the defendant has rested, although not in rebuttal, unless it has been kept back by a trick, and for the purpose of deceiving the defendant and affecting his case injuriously."

These principles find their echo in Philippine remedial law. While the general rule is rightly recognized, the Code of Civil Procedure authorizes the judge "for special reasons," to change the order of the trial, and "for good reason, in the furtherance of justice," to permit the parties "to offer evidence upon their original case." . . .

In his commentaries, Chief Justice Moran had this to say:

However, the court for good reasons, may, in the furtherance of justice, permit the parties to offer evidence upon their original case, and its ruling will not be disturbed where no abuse of discretion appears. Generally, additional



evidence is allowed when . . .; but it may be properly disallowed where it was withheld deliberately and without justification.⁷⁴ (Emphasis in the original, citations omitted)

The introduction of new evidence even after a party has rested its case may, therefore, be done but only if the court finds that it is for good reasons and in the furtherance of justice. The admission is discretionary on the part of the court and, as explained in *Republic*, may only be set aside if the admission was done with grave abuse of discretion or:

[T]he capricious and whimsical exercise of judgment, equivalent to lack of jurisdiction; or, the exercise of power in an arbitrary manner by reason of passion, prejudice, or personal hostility, so patent or so gross as to amount to an evasion of a positive duty, to a virtual refusal to perform the mandated duty, or to act at all in contemplation of the law.⁷⁵ (citation omitted)

To recall, Sindophil filed an Urgent Motion to Reset Hearing with Notice of Change of Address one (1) day before its scheduled initial presentation of evidence. On motion by the Solicitor General, representing the Republic, the Regional Trial Court denied the Motion to Reset Hearing for having been filed on short notice and deemed as waived Sindophil's right to present evidence. The parties were then ordered to file their respective memoranda thirty (30) days from notice, after which the case would be deemed submitted for decision.⁷⁶

Thereafter, Sindophil filed a motion for extension, praying for an additional fifteen (15) days or until February 26, 2009, to file its memorandum.⁷⁷ The Regional Trial Court granted the motion in its February 24, 2009 Order.⁷⁸ However, despite the grant of extension, Sindophil did not file the required memorandum. Instead, it filed the Motion to Re-Open Case⁷⁹ more than a month later or on March 31, 2009. In its Motion to Re-Open Case, Sindophil alleged that its witness, Sindophil President Chalid, had previously suffered a stroke that rendered her indisposed to take the stand.⁸⁰

The stroke suffered by Sindophil's President was not a good reason to reopen the case. In its Pre-Trial Brief, Sindophil indicated the Register of Deeds of Pasay City as its other witness.⁸¹ It could have very well presented the Register of Deeds first while Chalid recovered from her stroke. Why it did not do so is only known to Sindophil.

⁷⁴ Id. at 397-399.

⁷⁵ Id. at 397-398.

⁷⁶ *Rollo*, p. 333.

⁷⁷ Id. at 348.

⁷⁸ Id.

⁷⁹ Id. at 119-127.

⁸⁰ Id. at 119.

⁸¹ Id. at 312.

Furthermore, while illness is a valid ground for postponing a hearing,⁸² it does not appear that Sindophil raised Chalid's stroke as a ground to postpone its initial presentation of defense evidence. The illness was only alleged in the Motion to Re-Open Case filed on March 31, 2009, more than three (3) months after the scheduled presentation of evidence on December 10, 2008. The excuse, therefore, appears to be an afterthought.

Neither can Sindophil claim that it was not given equal opportunity to present its case. Atty. Obligar, counsel for Sindophil, admitted that he never objected to the motions for extension to file formal offer of evidence filed by the Republic.⁸³ Even if this Court believes that he did not object to the extensions "as a gesture of consideration bearing in mind the work load and bulk of cases being attended to by the [Office of the Solicitor General],"⁸⁴ he was still not entitled to expect that the Office of the Solicitor General would grant him the same leniency by not objecting to the Motion to Reset the initial presentation of defense evidence. Litigation is primarily an adversarial proceeding. Counsels are to take every opportunity, so long as it is within the bounds of the law, to advocate their clients' causes.

Furthermore, contrary to Sindophil's claim, the Regional Trial Court entertained the Motion to Re-Open Case that it even set the Motion for clarificatory hearing and oral argument.⁸⁵ However, Atty. Obligar again absented himself during the scheduled hearing.

Given the foregoing, the Regional Trial Court did not gravely abuse its discretion in deciding the case despite the filing of the Motion to Re-Open Case.

III

Sindophil insists that it bought the Tramo property from Ty in good faith and that it was an innocent purchaser for value. However, the presumption of good faith and that a holder of a title is an innocent purchaser for value may be overcome by contrary evidence.

Here, the Republic presented evidence that TCT No. 10354, from which Sindophil's TCT No. 132440 was derived, was void. As found by the Regional Trial Court:

Record shows that Certificate of Title No. 6735, wherein the lot claimed by defendant, Marcelo R. Teodoro, lot 3270-B, is derived therefrom, is

⁸² RULES OF COURT, Rule 30, sec. 4.

⁸³ *Rollo*, p. 356.

⁸⁴ *Id.*

⁸⁵ *Id.* at 358.

under the name of the Republic of the Philippines, dated October 17, 1913. Nothing in the subsequent annotations was under the name of any of the defendants and neither the subject TCT No. 10354.⁸⁶

With the Republic having put forward evidence that the Tramo property claimed by Sindophil belongs to the Republic, the burden of evidence shifted to Sindophil to prove that its title to it was valid. Concomitantly, it had the burden of proving that it was indeed a buyer in good faith and for value. As this Court said in *Baltazar v. Court of Appeals*,⁸⁷ “the burden of proving the status of a purchaser in good faith and for value lies upon him who asserts that status”⁸⁸ and “[i]n discharging that burden, it is not enough to invoke the ordinary presumption of good faith, i.e., that everyone is presumed to act in good faith. The good faith that is [essential here] is integral with the very status which must be proved.”⁸⁹

Unfortunately for Sindophil, it utterly failed to discharge the burden of evidence because its counsel failed to attend the scheduled initial presentation of evidence.

Further, looking at the records, the defects in Sindophil’s title could be inferred from the annotations in TCT No. 129957, the certificate of title held by Sindophil’s immediate predecessor, Ty. A certain Antonio C. Mercado had filed an adverse claim against Ty because the Tramo property had been previously sold to him by Puma, Ty’s predecessor.⁹⁰ The alleged double sale should have prompted Sindophil to look into Puma’s title, TCT No. 128358, where it can be gleaned that Teodoro likewise filed an adverse claim.⁹¹ These annotations show that the Tramo property is controversial and has been the subject of several adverse claims, belying Sindophil’s contention that it acquired the property in good faith.

With Sindophil failing to prove that it was a buyer in good faith, it cannot recover damages to be paid out of the Assurance Fund under Section 95⁹² of the Property Registration Decree. In *La Urbana v. Bernardo*,⁹³ this Court held that “it is a condition *sine qua non* that the person who brings an

⁸⁶ Id. at 38.

⁸⁷ 250 Phil. 349 (1988) [Per J. Feliciano, Third Division].

⁸⁸ Id. at 366.

⁸⁹ Id.

⁹⁰ *Rollo*, p. 233.

⁹¹ Id. at 231.

⁹² PROPERTY REGISTRATION DECREE, sec. 95 provides:


Section 95. *Action for compensation from funds.* — A person who, without negligence on his part, sustains loss or damage, or is deprived of land or any estate or interest therein in consequence of the bringing of the land under the operation of the Torrens system or arising after original registration of land, through fraud or in consequence of any error, omission, mistake or misdescription in any certificate of title in any entry or memorandum in the registration book, and who by the provisions of this Decree is barred or otherwise precluded under the provision of any law from bringing an action for the recovery of such land or the estate or interest therein, may bring an action in any court of competent jurisdiction for the recovery of damages to be paid out of the Assurance Fund.

⁹³ 62 Phil. 790 (1936) [Per J. Imperial, En Banc].

action for damages against the assurance fund be the registered owner, and, as to holders of transfer certificates of title, that they be innocent purchasers in good faith and for value.”⁹⁴

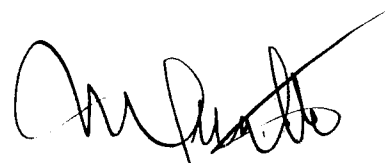
WHEREFORE, the Petition for Review on Certiorari is **DENIED**. The June 19, 2012 Resolution and November 23, 2012 Resolution of the Court of Appeals in CA-G.R. CV No. 96660 are **AFFIRMED**.

SO ORDERED.

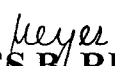


MARVIC M. V. F. LEONEN
Associate Justice

WE CONCUR:



DIOSDADO M. PERALTA
Associate Justice
Chairperson



ANDRES B. REYES, JR.
Associate Justice

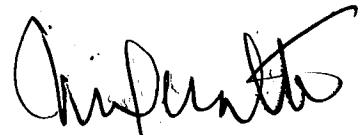
On wellness leave
ALEXANDER G. GISMUNDO
Associate Justice

On wellness leave
JOSE C. REYES, JR.
Associate Justice

⁹⁴ Id. at 803.

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.



DIOSDADO M. PERALTA
Associate Justice
Chairperson, Third Division


CERTIFICATION

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



ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, Republic Act No. 296,
The Judiciary Act of 1948, as amended)

CERTIFIED TRUE COPY


WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
JAN 11 2019