



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

HEIRS OF JOSE V. LAGON, G.R. No. 246989
namely: MARIA JOCELYN
LAGON-RODRIGUEZ,
ARMANDO L. LAGON, JONALD
JOSE L. LAGON, JOSELITO L.
LAGON, LEILANIE L. LAGON,
JOSE L. LAGON, JR., MARY
EMILIE LAGON-SANCHEZ,
STEFANIE GRACE L. LAGON,
RYAN NEIL L. LAGON, NENITA
L. LAGON, JR., and NENITA L.
LAGON,
Petitioners,

Present:

LEONEN, *J.*, Chairperson,
HERNANDO,
INTING,
DELOS SANTOS, and
ROSARIO, *JJ.*

-versus-

ULTRAMAX HEALTHCARE
SUPPLIES, INC., MARGIE K.
HUAN, MELODIE ANNE KO
HUAN, MAEL ALLISON KO
HUAN, GIANNE CARLO KO
HUAN, ROSANA M. NAVARRO,
and the REGISTER OF DEEDS
FOR THE PROVINCE OF SOUTH
COTOBATO,
Respondents.

Promulgated:
December 7, 2020
Mis-DCBatt

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DECISION

LEONEN, J.:

It is a well-established rule that no evidence may be introduced during trial if it was not identified and pre-marked during pre-trial. However, the rule allows for an exception: If good cause has been shown, the trial court may allow documentary or object evidence not previously marked to be introduced. By good cause, it must be shown that there is a “substantial reason that affords a legal excuse.”¹

This Court resolves a Petition for Review on Certiorari² filed by the Heirs of Jose Lagon, assailing the Decision³ and Resolution⁴ of the Court of Appeals, which affirmed the Regional Trial Court Resolutions⁵ admitting an evidence not identified and marked on pre-trial.

Spouses Jose and Nenita Lagon (the Lagon Spouses) are the registered owners of two parcels of land in Marbel, Koronadal City, covered by Transfer Certificate of Title (TCT) Nos. T-72558 and T-72564.⁶

In July 2011, the Lagon Spouses discovered that both titles were cancelled by the Registry of Deeds of South Cotabato and were replaced with TCT Nos. T-141372 and T-131373, issued in the name of Ultramax Healthcare Supplies, Inc. (Ultramax).⁷

This prompted the Lagon Spouses to file on September 29, 2011 a Complaint⁸ against Ultramax for annulment of the new titles. They denied selling the lands, alleging that the cancellation and subsequent transfer of titles were caused by a falsified deed of absolute sale in favor of Ultramax.⁹

In their Answer, Ultramax recounted that in 2009, Margie Huan (Huan), one of its directors, loaned ₱2.3 million with a 4% monthly interest to the Lagon Spouses, who allegedly used their two properties as collateral.¹⁰ They later informed Huan that they could not pay their loan and agreed to cede the two properties to Huan, but with Ultramax as transferee.

¹ *Cruz v. People*, 810 Phil. 801 (2017) [Per J. Leonen, Second Division].

² *Rollo*, pp. 9–26.

³ *Id.* at 28–33. The January 31, 2019 Decision in CA-G.R. SP No. 08653-MIN was penned by Associate Justice Oscar V. Badelles, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Florencio M. Mamauag, Jr. of the Special Twenty-Third Division, Court of Appeals, Cagayan de Oro City.

⁴ *Id.* at 28–33. The May 8, 2019 Resolution in CA-G.R. SP No. 08653-MIN was penned by Associate Justice Oscar V. Badelles, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Florencio M. Mamauag, Jr. of the Former Special Twenty-Third Division, Court of Appeals, Cagayan de Oro City.

⁵ *Id.* at 227–228 and 260–261.

⁶ *Id.* at 11.

⁷ *Id.*

⁸ *Id.* at 40–45.

⁹ *Id.* at 42.

¹⁰ *Id.* at 29.

Consequently, a representative of the spouses delivered TCT Nos. T-72558 and T-72564 to Huan; in exchange, Huan gave all the evidence of indebtedness to the representative.¹¹

Jose Lagon died while the case was pending. His wife, Nenita, then moved to have Jose's heirs substitute him.¹² On June 17, 2013, the trial court granted the Motion, and trial ensued.¹³

On August 2, 2013, one Al Barrometro deposed before the branch clerk of court that he facilitated the registration of TCT Nos. T-141372 and T-131373 by presenting a Deed of Absolute Sale to the Registry of Deeds of Koronadal City. The deed appeared to be executed by the Lagon Spouses and notarized by Atty. Damaso Cordero of Sultan Kudarat.¹⁴

On September 7, 2013, Jose's heirs moved to have the Deed of Absolute Sale examined by a forensic handwriting expert from the National Bureau of Investigation (NBI), which was granted. Upon examination, the signatures on the deed were found to have indeed been falsified.¹⁵

Afterward, Jose's heirs filed their Formal Offer of Evidence and rested their case. All the pieces of evidence they presented were admitted by the trial court.¹⁶

On November 20, 2015, Ultramax filed a Request for Admission addressed to Nenita, asking for the admission of two documents, a Real Estate Mortgage (Deed of Mortgage) and a Deed of Absolute Sale, both dated December 2009.¹⁷ Jose's heirs objected, stating that the documents were immaterial.¹⁸

On January 28, 2016, Ultramax again requested that the documents be admitted, this time addressed to two of the heirs, Jocelyn and Leilani Lagon.¹⁹ Jose's heirs reiterated their objection.²⁰

On May 18, 2016, Ultramax filed a Supplemental Judicial Affidavit²¹

¹¹ Id. at 29–30.

¹² Namely, his spouse, Nenita Lagon, and their children, Maria Jocelyn, Armando, Jonald Jose, Joselito, Leilanie (at times referred to as Lailani), Jose Jr., Mary Emilie Lagon, Stefanie Grace, Ryan Niel, and Nenita Jr.

¹³ Id. at 30.

¹⁴ Id.

¹⁵ Id.

¹⁶ Id. at 30–31 and 139.

¹⁷ Id. at 140–141.

¹⁸ Id. at 146–148.

¹⁹ Id. at 155–156. The request was erroneously addressed to “Lailani” instead of Leilani.

²⁰ Id. at 159–161.

²¹ Id. at 211–215. To supplement Huan's Judicial Affidavit dated May 3, 2014 (*rollo*, pp. 173-183).

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executed by Huan, which introduced a Deed of Mortgage²² signed by the Lagon Spouses—the same document they had requested to be admitted. Jose’s heirs vehemently objected, stating that the Deed of Mortgage was never alleged in Ultramax’s Answer and may not be introduced so late in the case.²³ They also reiterated that it was irrelevant here.²⁴

On July 1, 2016, the Regional Trial Court issued a Resolution²⁵ admitting the Supplemental Judicial Affidavit on the ground of substantial justice and equity. It also permitted the introduction of the Deed of Mortgage, not to prove its existence, but to prove “previously existing obligations” of Jose’s heirs.²⁶

Ultramax then moved to have the Deed of Mortgage examined by an NBI²⁷ handwriting expert to determine the genuineness of the Lagon Spouses’ signatures and use it as comparison to determine the authenticity of their signatures on the Deed of Absolute Sale.²⁸ Jose’s heirs objected.²⁹

On March 10, 2017, the Regional Trial Court granted Ultramax’s Motion and directed the examination.

Jose’s heirs asked for reconsideration,³⁰ to no avail.³¹

Consequently, they filed a Petition for Certiorari³² before the Court of Appeals, alleging that the trial court acted with grave abuse of discretion when it granted Ultramax’s Motion since the document was never mentioned in the previous pleadings. They further alleged that the document had already been ruled inadmissible by the trial court.³³

On January 31, 2019, the Court of Appeals dismissed³⁴ the Petition. It held that in granting the Motion to have the Deed of Mortgage examined, the trial court only aimed to determine the authenticity of the Lagon Spouses’ purported signatures, but “did not rule on the admissibility of the [Deed of Mortgage] per se.”³⁵ It also held that the trial court has the authority to

²² Id. at 216.

²³ Id. at 218.

²⁴ Id.

²⁵ Id. at 227–228.

²⁶ Id.

²⁷ Id. at 278–280.

²⁸ Id. at 229–230.

²⁹ Id. at 234–236.

³⁰ Id. at 262–266.

³¹ Id. at 281.

³² Id. at 282–298.

³³ Id. at 282.

³⁴ Id. at 28–33.

³⁵ Id. at 32.

admit or reject evidence deemed determinative of the outcome of the case.³⁶

Jose's heirs moved for reconsideration, but the Court of Appeals denied their Motion in its May 8, 2019 Resolution.³⁷

In their Petition for Review on Certiorari,³⁸ Jose's heirs assert that the Court of Appeals erred when it dismissed its Petition for Certiorari.³⁹ They state that since the Deed of Mortgage was not mentioned in respondents' Answer or other pleadings and had already been deemed inadmissible by the trial court, the Motion to have it examined should have been disallowed.⁴⁰ They likewise claim that the Court of Appeals turned a blind eye to the fact that the Deed of Mortgage is not the one being questioned in the Complaint, but the Deed of Absolute Sale.⁴¹

In its Comment, respondent Ultramax claims that the Court of Appeals was correct in finding no fault on the part of the trial court, since presenting the Deed of Mortgage is a matter of defense evidence that is not prohibited by the Rules on Evidence.⁴² It also asserts that the Deed of Mortgage is relevant to the case as it aims to prove that the signatures found in it are authentic and executed by the same people that signed the other documents relevant to the case.⁴³

In their Reply,⁴⁴ petitioners reiterate that the examination of the Deed of Mortgage serves no purpose. They add that while respondents are allowed to prove that petitioners have other existing obligations against it, they cannot use the Deed of Mortgage to do so.⁴⁵

The main issue for this Court's resolution is whether or not the Court of Appeals erred in finding that the Regional Trial Court did not gravely abuse its discretion in granting the Motion to have the Deed of Mortgage examined by a handwriting expert.

In actions for certiorari, such as that filed by petitioners before the Court of Appeals, courts are asked to determine if the lower court "acted with grave abuse of discretion amounting to excess or lack of jurisdiction in the exercise of its judgment, such that the act was done in a capricious,

³⁶ Id. at 33.

³⁷ Id. at 35–37.

³⁸ Id. at 9–26.

³⁹ Id. at 19.

⁴⁰ Id. at 17 and 20.

⁴¹ Id. at 17.

⁴² Id. at 381.

⁴³ Id. at 380.

⁴⁴ Id. at 386–392.

⁴⁵ Id. at 389.

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whimsical, arbitrary[,] or despotic manner.”⁴⁶ Hence, as long as the courts do not overstep their authority, any alleged errors committed in their discretion will not suffice to grant certiorari.

Here, the Court of Appeals was called to ascertain if the trial court was correct in granting respondents’ Motion and directing that the Deed of Mortgage be examined by a handwriting expert.

We agree with the Court of Appeals. The Regional Trial Court did not gravely abuse its discretion in issuing the assailed Resolutions.

Petitioners rely on technicalities, but these rules are not so rigid as to frustrate the full adjudication of cases. Procedural rules are designed to aid the courts in resolving cases. They neither create nor take away vested rights, but merely facilitate the trial court’s reception and evaluation of all evidence given the facts and circumstances presented by the parties.⁴⁷ They give litigants the opportunity to establish the merits of their complaint or defense rather than lose life, liberty, or property on mere technicalities.⁴⁸ This Court should not demand a strict application of these rules when such would exacerbate the situation rather than promote substantial justice.

Section 2 of the Judicial Affidavit Rule mandates parties to submit their witnesses’ judicial affidavits, together with the documentary and object evidence, before the pre-trial or preliminary conference.⁴⁹ Nevertheless, the same provision allows for an exception. The trial court may, during trial, allow the introduction of additional evidence despite it not being previously marked or identified during pre-trial *if good cause is shown*.⁵⁰

In *Cruz v. People*,⁵¹ petitioner Anthony Cruz (Cruz) was found guilty of violating Section 9(a) and (e) of Republic Act No. 8484 for using a counterfeit access device to purchase a pair of designer shoes. Aggrieved, Cruz went before this Court, asserting that the prosecution was not able to prove his guilt since the counterfeit credit card he allegedly used was still admitted on trial despite not being presented and marked during pre-trial. In affirming the finding of guilt, this Court held that under A.M. No. 03-1-09-SC,⁵² the admission of evidence not pre-marked during pre-trial is not absolutely prohibited. It discussed:

⁴⁶ *Lara’s Gift and Decors, Inc. v. PNB General Insurers Co., Inc.*, 824 Phil. 652, 663 (2018) [Per J. Velasco, Jr., Third Division].

⁴⁷ *Republic v. Spouses Gimenez*, 776 Phil. 233, 237–238 (2016) [Per J. Leonen, Second Division].

⁴⁸ *Heirs of Zaulda v. Zaulda*, 729 Phil. 639, 651 (2014) [Per J. Mendoza, Third Division].

⁴⁹ JUD. AFFIDAVIT RULE, sec. 2.

⁵⁰ *Cruz v. People*, 810 Phil. 801, 815 (2017) [Per J. Leonen, Second Division].

⁵¹ 810 Phil. 801 (2017) [Per J. Leonen, Second Division].

⁵² Re: Proposed Rule on Guidelines to be Observed by Trial Court Judges and Clerks of Court in the Conduct of Pre-Trial and Use of Deposition-Discovery Measures.

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A.M. No. 03-1-09-SC, sec. I(A)(2) provides that:

2. The parties shall submit, at least three (3) days before the pre-trial, pre-trial briefs containing the following:

.....

d. The documents or exhibits to be presented, stating the purpose thereof. (No evidence shall be allowed to be presented and offered during the trial in support of a party's evidence-in-chief other than those that had been earlier identified and pre-marked during the pre-trial, except if allowed by the court for good cause shown)[.]

The rule is that no evidence shall be allowed during trial if it was not identified and pre-marked during trial. This provision, however, allows for an exception: when allowed by the court for good cause shown. There is no hard and fast rule to determine what may constitute "good cause," though this Court has previously defined it as any substantial reason "that affords a legal excuse."

The trial court retains its discretion to allow any evidence to be presented at trial even if not previously marked during pre-trial. Here, the trial court allowed the presentation of the counterfeit credit card at trial due to the prosecution's explanation that during pre-trial, the counterfeit credit card was still in the Criminal Investigation and Detective Group's custody.⁵³ (Citations omitted)

Here, the Regional Trial Court found it appropriate to admit the Supplemental Judicial Affidavit which introduced the Deed of Mortgage to allow respondents an opportunity to refute petitioners' evidence. To recall, petitioners moved to have a forensic handwriting expert examine the Deed of Absolute Sale during the presentation of evidence. When the forensic examination results were presented in court, only then did respondents discover that it had to repudiate the findings. Thus, the need to introduce the separate but related Deed of Mortgage only arose after the pre-trial.

As the main issue pending before the trial court is the alleged falsification of the Deed of Absolute Sale, the trial court admitted the Deed of Mortgage and allowed its examination. This was not to prove an existing obligation on petitioners' part, but to compare the signatures found in the document to those supposedly forged signatures on the questioned Deed of Absolute Sale.

Thus, petitioners' claim that the Deed of Mortgage is irrelevant does not hold water. Rule 128 of the Rules of Court describes what is relevant evidence:

⁵³ Id. at 814-815.

SECTION 4. *Relevancy; collateral matters.* — Evidence must have such a relation to the fact in issue as to induce belief in its existence or non-existence. Evidence on collateral matters shall not be allowed, except when it tends in any reasonable degree to establish the probability or improbability of the fact in issue. (4a)

The main question of the Complaint before the trial court is the falsification of the Deed of Absolute Sale, and the signatures on the Deed of Mortgage may establish the probability of such falsification.

Moreover, a reading of the trial court's Resolutions will show that it did not unequivocally state that the Deed of Mortgage was inadmissible and prohibited from being presented. The July 1, 2016 Resolution reads:

In the case at bar, the Court is convinced that the SJA of said witness defendant, despite the aforementioned procedural and evidentiary obstacles, is relevant evidence which may tend to reinforce her claims affecting the plaintiffs' liability leading to the execution of the questioned deed of conveyance. While the SJA is not part of the answer, it may still be considered as part of her answer and the same is justified by jurisprudence, *viz*:

Equity requires that an amended answer which alters (the) theory of the defense be admitted when, if proved, it would negate the defendant's liability.

In furtherance of the above discussions, while the Court may not permit the defendants to prove the existence of an ancillary (mortgage) contract, they may be permitted to prove the plaintiffs' previously existing valid obligations as the same is logical and in consonance with their defenses in this case.⁵⁴ (Citation omitted)

Meanwhile, the March 2017 Resolution reads:

In the first place, what is being sought in the motion is to prove the plaintiffs' signature in the questioned Deed of Sale by presenting other evidence similar to those presented by the plaintiffs to impeach the same. While it is true that the plaintiffs would neither confirm nor deny the existence of the Deeds of Mortgage now bannered by the defendants, nay, opposes the presentation of the same as defendants' evidence, the signatures therein are relevant and material evidence to prove what the plaintiffs have already attempted to disprove.

Elsewise stated, the defendants are only asking for an opportunity to compare the signatures of the plaintiffs in the questioned Deed of Sale as well as in the ignored "Deed of Mortgage".⁵⁵

⁵⁴ Id. at 227-228.

⁵⁵ Id. at 260.



Lastly, it can be gleaned from the Pre-Trial Order⁵⁶ that both petitioners and respondents reserved their rights to present additional evidence without objection against the other party. This reservation amounts to waiving the application of Section 2 of the Judicial Affidavit Rule.⁵⁷ Petitioners cannot now disown their previous declaration for their convenience and to the prejudice of respondents.

WHEREFORE, the Petition is **DENIED** for lack of merit. The January 31, 2019 Decision and May 8, 2019 Resolution of the Court of Appeals in CA-G.R. SP No. 08653-MIN are **AFFIRMED**.

SO ORDERED.

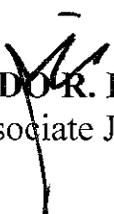

MARVIC M.V.F. LEONEN
 Associate Justice

WE CONCUR:


RAMON PAUL L. HERNANDO
 Associate Justice


HENRI JEAN PAUL B. INTING
 Associate Justice


EDGARDO L. DELOS SANTOS
 Associate Justice


RICARDO R. ROSARIO
 Associate Justice

⁵⁶ Id. at 89-94.

⁵⁷ *Lara's Gift and Decors, Inc. v. PNB General Insurers Co., Inc.*, 824 Phil. 652, 670 (2018) [Per J. Mendoza, Third Division].

ATTESTATION

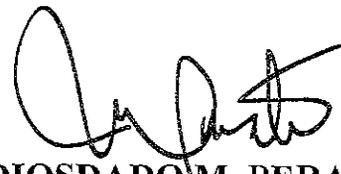
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

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.



DIOSDADO M. PERALTA
Chief Justice