



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

PLANTERS DEVELOPMENT BANK, now CHINA BANK SAVINGS, INC.,

Petitioner,

- versus -

SPOUSES ARCHIMEDES S. INONCILLO and LIBORIA V. MENDOZA, represented by ROBERTO V. AQUINO,

Respondents.

G.R. No. 244340

Present:

PERLAS-BERNABE, J.,
 Chairperson,
 HERNANDO,
 INTING,*
 DELOS SANTOS, and
 BALTAZAR-PADILLA,** JJ.

Promulgated:

09 SEP 2020

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DECISION

DELOS SANTOS, J.:

This is a Petition for Review on *Certiorari*¹ filed under Rule 45 of the Rules of Court assailing the Decision² dated June 29, 2018 and the Resolution³ dated January 10, 2019 of the Court of Appeals (CA) in CA-G.R. CV No. 100540, which affirmed *in toto* the Decision⁴ dated February 8, 2013 of the Regional Trial Court (RTC) of Malolos City, Branch 15.

* On official leave.

** On leave.

¹ *Rollo*, pp. 30-46.

² Penned by Associate Justice Marie Christine Azcarraga-Jacob, with Associate Justices Celia C. Librea-Leagogo and Samuel H. Gaerlan (now a Member of the Court), concurring; *id.* at 48-59.

³ *Id.* at 61-63.

⁴ Penned by Judge Alexander P. Tamayo; *id.* at 151-161.

Facts

The present case stemmed from a complaint for annulment or declaration of nullity of mortgage and damages with application for preliminary injunction and prayer to issue a temporary restraining order filed by respondents Spouses Archimedes S. Inoncillo (Archimedes) and Liboria V. Mendoza (Liboria; collectively, respondent Spouses), represented by Roberto Aquino, against petitioner Planters Development Bank (PDB), now China Bank Savings, Inc.; then defendants Spouses Rolando S. Inoncillo (Rolando) and Elsa T. Inoncillo (Elsa; collectively, Spouses Inoncillo), and Notary Public Julius Carmelo J. Banez.

Respondent Spouses claimed to be the registered owners of a parcel of land covered by Transfer Certificate of Title (TCT) No. T-101817 issued by the Registry of Deeds of Bulacan. Respondent Spouses alleged that Rogelio S. Inoncillo (Rogelio), the brother of Archimedes, was the one who processed the titling of the subject lot. Rolando, another brother of Archimedes, took the Owner's copy of the TCT from Rogelio under the pretext that he would deliver the same to Archimedes.⁵

On August 15, 1997, Spouses Inoncillo obtained a ₱1,600,000.00 loan with PDB, covered by a promissory note and a loan agreement. To secure the loan obligation, Spouses Inoncillo executed a mortgage agreement over two (2) parcels of land: Lot 1, which is covered under TCT No. T-74306; and Lot 2, which is covered under TCT No. T-101817 registered under the name of respondent Spouses. On January 15, 1997, Rolando presented to PDB a Special Power of Attorney⁶ (SPA), which was purportedly executed by Archimedes authorizing the former to mortgage the real property covered under TCT No. T-101817 and to sign any and all documents related thereto. On July 12, 1997, Rolando submitted to PDB another SPA still executed by Archimedes reiterating the same purpose as the first SPA. Sometime in March 1998, Spouses Inoncillo defaulted on the payment of their loan, thus, PDB foreclosed the mortgaged property.⁷

Respondent Spouses denied having executed any SPA and having participated in the execution of the mortgage agreement. They only learned that their property was mortgaged to PDB when they arrived from the United States in October 1997 when they were about to pay the subject property's realty taxes. Thus, respondent Spouses filed a complaint before the RTC asserting that their signatures on the SPA and the mortgage agreement were forged and that such mortgage agreement is void and produces no force and effect.⁸

⁵ Id. at 151.

⁶ Not attached to the *rollo*.

⁷ *Rollo*, pp. 35-37.

⁸ Id. at 157.

RTC Ruling

The RTC ruled in favor of respondent Spouses. The RTC found that the copy of TCT No. T-101817 given by Rolando to PDB was not genuine as confirmed by the Register of Deeds. The RTC held that even to the naked eye, the signatures found on the SPA and on the mortgage agreement were different with the signatures of respondent Spouses appearing in the records of the case. The RTC likewise relied on the following pieces of evidence to support the conclusion of forgery, to wit: (a) vehement denial of respondent Spouses in signing the SPA and the mortgage agreement; (b) respondent Spouses were out of the country during the execution of the SPA and the mortgage agreement; (c) the subject TCT No. T-101817 was only issued on March 15, 1997, whereas, the SPA was executed on January 15, 1997; and (d) hostile witness Elsa also admitted to not knowing whether respondent Spouses signed the SPA and mortgage agreement.

The RTC went on to declare that PDB is not a mortgagee in good faith having failed to exercise the required degree of caution in ascertaining the genuineness and extent of authority of Spouses Inoncillo to mortgage the subject property. Thus, the forged SPA and mortgage agreement were declared void *ab initio* and cannot be made the subject of a foreclosure proceeding. The *fallo* of the RTC Decision reads as follows:

WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of plaintiffs Archimedes and Liboria Inoncillo and against defendant Planters Development Bank by:

1. declaring the mortgage dated August 15, 1997 on the property covered and described in TCT No. T-101817 as null and void;
2. ordering the injunction issued as permanent thereby enjoining the defendants Planters Development Bank and Notary Public from proceeding with the scheduled auction sale of the subject property under TCT No. T-101817 of the Registry of Deeds of Bulacan; and
3. ordering defendant Planters Development Bank to pay [P]50,000.00 as attorney's fees and [P]20,000.00 as litigation expenses.

SO ORDERED.⁹

CA Ruling

On appeal, the CA affirmed *in toto* the findings of the RTC. The CA opined that the lack of technical examination of the questioned signatures by a handwriting expert does not make the findings of the RTC irregular and invalid. As a rule, when the authenticity of handwriting is involved, a court

⁹ Id. at 160-161.

is bound to make its own independent assessment of the evidence submitted before it and need not always resort to handwriting examiners or document experts. The CA likewise affirmed the award of attorney's fees and litigation expenses as respondent Spouses were compelled to litigate and engage the services of a counsel.

Aggrieved, PDB elevated the case before the Court *via* Rule 45 of the Rules of Court asserting that the CA gravely erred in declaring the mortgage agreement null and void and in ordering it to pay respondent Spouses attorney's fees and litigation expenses.

The Court's Ruling

The petition is without merit.

The question of whether the signatures of respondent Spouses on the SPA and the mortgage agreement is a forgery or not is factual in nature and is beyond the Court's jurisdiction in the present petition. As a rule, only questions of law can be raised in a petition for review on *certiorari* under Rule 45 of the Rules of Court. While the rule admits of some exceptions, none is applicable in the present case.¹⁰

Again, the Supreme Court is not a trier of facts and it cannot rule on questions which determine the truth or falsehood of alleged facts. The determination of which is best left to the courts below. Also, this Court has accorded finality to the factual findings of the trial courts, more so, as in the instant case, when such findings are affirmed by the CA.¹¹

Herein, PDB insists that the present petition falls under the exceptions, considering that the CA committed misapprehension of facts when it affirmed the findings of the RTC. PDB contends that respondent Spouses failed to prove their claim of forgeries on the questioned documents, considering that the documents they presented did not overturn the presumption of regularity of the mortgage agreement. PDB theorized that the persons indicated in the Bureau of Immigration (BOI) certifications are not respondent Spouses based on the following reasons: *first*, the certification issued by the BOI indicated one Levy M. Inoncillo, whereas respondent is Liboria M. Inoncillo; and *second*, both Archimedes and Levy were indicated as American citizens in the BOI certifications, whereas, the nationality of Archimedes in TCT No. T-101817 is Filipino and the nationality of Liboria in the Supplement to the SPA¹² executed on February 13, 1999 is also Filipino.¹³

¹⁰ See *Gatan v. Vinarao*, G.R. No. 205912, October 18, 2017, 842 SCRA 602.

¹¹ See *Coro v. Nasayao*, G.R. No. 235361, October 16, 2019.

¹² Not attached to the *rollo*.

¹³ *Rollo*, pp. 40-41.

It is well-entrenched in this jurisdiction that forgery cannot be presumed and may only be proven by clear, positive, and convincing evidence. Thus, the one alleging forgery has the burden of establishing his or her case by preponderance of evidence. The fact of forgery can only be established by a comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized to have been forged.¹⁴

Section 22, Rule 132 of the Revised Rules of Court provides that:

Section 22. *How genuineness of handwriting proved.* — The handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or been charged, and has thus acquired knowledge of the handwriting of such person. Evidence respecting the handwriting may also be given **by a comparison, made by the witness or the court, with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge.** (Emphasis supplied)

In the present case, no technical examination was done by an expert witness on the questioned signatures as it was the RTC Judge who personally conducted an examination of the questioned signatures on the SPA and the mortgage agreement and compared it with respondent Spouses' signatures appearing in the records of the case. An excerpt of the RTC Decision is hereby reproduced, thus:

To contradict the execution of said documents, plaintiffs vehemently denied having executed the Special Power of Attorney (Exh. C) and the Mortgage (Exh. B) with defendant bank. Even to the naked eye, a comparison between the signatures of the debtors-mortgagors appearing in both documents and plaintiffs' signatures appearing in the records of this case would lead to a conclusion that the signatures were not written or affixed by one and the same person. Defendant Elsa Inoncillo herself, as a hostile witness, denied having knowledge as to who signed under the names of plaintiffs are (sic) mortgagors. The lack of consent is further sealed by the Certification of the Bureau of Immigration as to the pertinent dates which confirmed that plaintiffs could not have been personally present in the country to sign the SPA and mortgage.¹⁵

From the foregoing, after the conduct of an examination, the RTC found the signatures of respondent Spouses on the questioned SPA and mortgage agreement as forgeries. The certification of the BOI merely supported respondent Spouses' claim that they were not in the Philippines when the questioned documents were executed.

¹⁴ *Gepulle-Garbo v. Spouses Garabato*, 750 Phil. 846, 855-856 (2015).

¹⁵ *Rollo*, p. 159.

A cursory reading of the present petition would show that PDB is not assailing the personal examination of the trial court of respondent Spouses' signatures on the questioned documents as its main contention revolves around the probative value of the BOI certifications, which were offered to prove that respondent Spouses were out of the country when the questioned SPA and mortgage agreement were executed. Not only are these issues raised for the first time on appeal, again, these are factual matters that are beyond the ambit of the Court in a petition for review on *certiorari*.

Nonetheless, even if the BOI certifications will not be given credence or probative weight, there were other evidence on record that supported the RTC and the CA's findings that the questioned signatures were indeed forgeries, to wit: (a) the examination conducted by the RTC Judge of the questioned signatures by comparing the signatures found on the SPA and mortgage agreement with the evidence on record;¹⁶ (b) the testimony of the hostile witness, Elsa, that she did not see who signed the SPA and the mortgage agreement;¹⁷ and (c) the SPA dated January 15, 1997, which was issued for the purpose of mortgaging the subject property, was executed before the issuance of TCT No. T-101817, which was issued only on March 15, 1997.¹⁸ Although there was another SPA, which was issued on July 12, 1997, it merely highlighted the defect of the previously issued SPA.

As regards the award of attorney's fees and litigation expenses, the Court finds the same proper as it is in accordance with Article 2208 (2) of the Civil Code.¹⁹ As explained in the assailed CA Decision, the award thereof is justified, considering that respondent Spouses were compelled to litigate and to engage the services of counsel. Thus, they must be recompensed for the consequent expenses brought about by the litigation of this case.

WHEREFORE, premises considered, this Court resolves to **DENY** the petition. The Decision dated June 29, 2018 and the Resolution dated January 10, 2019 of the Court of Appeals in CA-G.R. CV No. 100540 are hereby **AFFIRMED**.

SO ORDERED.


EDGARDO L. DELOS SANTOS
Associate Justice

¹⁶ Id. at 84.

¹⁷ Id. at 156.

¹⁸ Id. at 159.

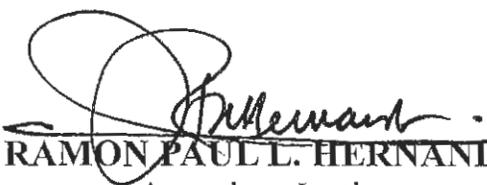
¹⁹ Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

x x x x

(2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or incur expenses to protect his interest;

WE CONCUR:


ESTELA M. PERLAS-BERNABE
 Senior Associate Justice
 Chairperson


RAMON PAUL L. HERNANDO
 Associate Justice

(On Official Leave)
HENRI JEAN PAUL B. INTING
 Associate Justice

(On Leave)
PRISCILLA J. BALTAZAR-PADILLA
 Associate Justice

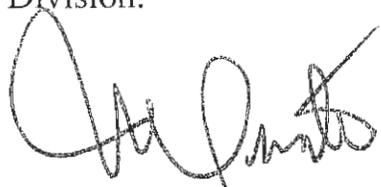
ATTESTATION

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.


ESTELA M. PERLAS-BERNABE
 Senior Associate Justice
 Chairperson, Second 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.


DIOSDADO M. PERALTA
 Chief Justice