

Republic of the Philippines Supreme Court Manila

THIRD DIVISION

CITY OF TANAUAN,

G.R. No. 219292

Petitioner,

Present:

LEONEN, J., Chairperson, HERNANDO, INTING.

DELOS SANTOS, and

LOPEZ, J. Y., JJ.

GLORIA A. MILLONTE,

versus

Promulgated:

Respondent.*

June 28, 2021

X -----

DECISION

HERNANDO, J.:

This Petition for Review on Certiorari assails the January 23, 2015 Decision¹ and the June 15, 2015 Resolution² of the Court of Appeals (CA) in CA-G.R. CV No. 100050, which affirmed the August 17, 2012 Decision³ of the Regional Trial Court (RTC) of Tanauan City, Batangas, Branch 83, in Civil Case No. 04-05-1557 granting the Complaint filed by herein respondent Gloria A. Millonte (Millonte).

The Antecedents:

The registered owners of the lot covered by Original Certificate of Title No. 3243 (OCT 3243)⁴ were the Gonzaga siblings, namely: Marcelo, Eleuteria, Pantaleona, Ambrosio, and Lucio. The mother of respondent, Florencia Gonzaga Arroyo, was the daughter of Lucio. Hence, Millonte is

^{*} The Court of Appeals is dropped as party-respondent pursuant to Section 4, Rule 45 of the Rules of Court.

Rollo, pp. 92-103; penned by Associate Justice Nina G. Antonio-Valenzuela and concurred in by Associate Justices Fernanda Lampas Peralta and Stephen C. Cruz.

³ Id. at 51-55; penned by Presiding Judge Marjorie T. Uyengco-Nolasco.

⁴ Rollo, p. 21.

Lucio's granddaughter and direct descendant.⁵ Millonte filed a Complaint⁶ dated May 12, 2004 against petitioner City of Tanauan, praying for the declaration of nullity of the Deed of Absolute Sale⁷ dated February 10, 1970, as well as Transfer Certificate of Title No. T-42198 (TCT T-42198),⁸ and for the reinstatement of OCT 3243.

The contested property is presently occupied by the Tanauan Water District. Supposedly, the City of Tanauan acquired the lot for \$\textit{P}30,000.00\$ pursuant to a Deed of Absolute Sale allegedly signed by the Gonzagas, as vendors, and the then Municipality of Tanauan, represented by then Mayor Sebastian Carandang, as vendee. \(^9\)

In her Complaint, Millonte asserted that by virtue of the Deed of Absolute Sale, OCT 3243 was cancelled and TCT T-42198 was subsequently issued in favor of the Municipality of Tanauan on July 16, 1993 (23 years after the alleged sale). Upon examination of the Deed of Absolute Sale, however, Millonte realized that the Gonzaga siblings were already dead when the said deed was executed, hence, they could not have signed the document. Thus, there was no valid agreement, and the Deed of Absolute Sale was void. 10

The City of Tanauan filed a Motion to Dismiss¹¹ which the RTC denied in an Order¹² dated March 9, 2005.

In its Answer,¹³ petitioner countered that Millonte's right to file an action for the annulment of the Deed of Absolute Sale has already prescribed. More than 34 years have passed since the execution of the said deed and more than 14 years from the registration of the sale in the Register of Deeds of Tanauan City. Moreover, it argued that it has been in continuous, exclusive, adverse, and notorious possession and occupation of the lot since 1960. Millonte likewise did not show that Lucio was already dead when the deed was executed.

In response, respondent submitted a Certification¹⁴ from the City Civil Registrar of Tanauan, Batangas which indicated that Ambrosio died on December 29, 1959. Millonte claimed that Pantaleona, Lucio, Marcelo and Eleuteria all died between 1938 and 1944 but she could not present their death certificates since the records of the Local Civil Registrars of Tanauan City and Santo Tomas, Batangas were burned during World War II.¹⁵ Instead, she

⁵ Id. at 92-93.

⁶ Id. at 16-20.

⁷ Id. at 24.

⁸ Id. at 22.

⁹ Id. at 52.

¹⁰ Id. at 93.

¹¹ Records, pp. 17-23.

¹² Id. at 78-79; penned by Pairing Judge Arcadio I. Manigbas.

¹³ Rollo, pp. 25-30.

¹⁴ Id. at 39.

¹⁵ Id. at 53.

submitted Certifications¹⁶ from the Local Civil Registrar stating that the documents which would show the dates of deaths of the other Gonzagas could not be produced as these were destroyed.

Rolando Gonzaga (Rolando), respondent's first cousin and Lucio's grandson,¹⁷ testified that he knew about the deaths of Lucio¹⁸ and Ambrosio.¹⁹ He asserted that the fire during the war destroyed the documents kept by the Local Civil Registrar but stated that the records from 1970 onwards were complete.²⁰

Millonte also presented Florentino Hernandez (Florentino) (born in 1917), her relative and the grandson of Eleuteria. He confirmed that Eleuteria, Ambrosio, and Lucio were all dead. He averred that Eleuteria passed away when he was just a small boy and that she predeceased Ambrosio and Lucio. However, Florentino admitted that he did not know Marcelo or Pantaleona. Ambrosio and Lucio. However, Florentino admitted that he did not know Marcelo or Pantaleona.

During her testimony, respondent affirmed that her grandfather Lucio died in 1940 as told by her mother.²⁴ She maintained that the Deed of Absolute Sale was fake because Lucio died in 1940 while the deed was signed years later, specifically in 1970.²⁵ She admitted that she was not able to secure the death certificates of the other Gonzaga siblings.²⁶

The City of Tanauan filed a Demurrer to Evidence²⁷ which the RTC denied in an Order²⁸ dated March 19, 2007.

The petitioner, through the testimony of Pedro Dario Guevarra (Guevarra), averred that sometime in 1960, then Mayor Pedro Gonzales (Mayor Gonzales) asked the council of the Municipality of Tanauan to search for the owner of the subject property. However, the council could not fully follow the instruction as they could not find the owners of the lot (or their relatives) and they did not know the identities of the actual possessors at that time.²⁹ Guevarra asserted that the sale was recorded in November 1991 at the Registry of Deeds and the TCT was issued in favor of the City in 1993.³⁰

¹⁶ Id. at 40-43; Pantaleona – May 10, 1942; Lucio – November 25, 1940; Marcelo – September 15, 1944; and Eleuteria – January 15, 1938.

¹⁷ TSN, March 9, 2006, p. 4.

¹⁸ Id. at 6.

¹⁹ TSN, March 23, 2006, p. 6.

²⁰ TSN, March 9, 2006, pp. 10-11.

²¹ TSN, March 23, 2006, pp. 7-8.

²² Id. at 8-9.

²³ TSN, March 23, 2006, pp. 9-10.

²⁴ TSN, May 25, 2006, pp. 4-6.

²⁵ Id. at 8-9.

²⁶ Id. at 11-12.

²⁷ Records, pp. 200-210.

²⁸ Id. at 231; penned by Presiding Judge Hermenegildo M. Lacap.

²⁹ Rollo, p. 53; TSN, September 23, 2011, pp. 5-7.

³⁰ TSN, September 23, 2011, pp. 8-9.

Moreover, he admitted that he did not know the Gonzagas personally, that he could not identify them, and that he was not familiar with their signatures.³¹ Likewise, he admitted that he was not present during the signing of the Deed of Absolute Sale³² and that back in 1970, he did not know yet who the owners were.³³

Francisco Lirio (Lirio), then the Vice Mayor of the Municipality of Tanauan, stated that he became aware of the sale in 1970 because he was a member of the municipal council which approved the purchase of the property.³⁴

Lirio narrated that sometime in February 1970, then Mayor Gonzales summoned him to his office where he saw several people he was not familiar with. Mayor Gonzales then showed him a signed Deed of Absolute Sale.³⁵ Afterwards, Mayor Gonzales introduced him to the people present in the room, who were purportedly the owners of the property being bought by the municipality. Lirio read the deed and called out the names of all the persons whose signatures were affixed in the document, and who all acknowledged having voluntarily signed the document.³⁶

Lirio admitted, however, that he did not verify the identities of the individuals who raised their hands upon being called and that he did not personally pay them the amount stated in the deed. Likewise, he admitted that he did not witness the execution of the Deed of Absolute Sale and that he did not have personal knowledge of the identities of the signatories in the deed.³⁷

Ruling of the Regional Trial Court:

In its August 17, 2012 Decision,³⁸ the trial court held that the Deed of Absolute Sale, as well as TCT T-42198, was invalid since the Gonzaga siblings were already dead at the time of the deed's execution on February 10, 1970. Based on the certification of Ambrosio's death as well as Florentino's testimony, all of the alleged vendors could not have signed the document because of their demise, and the City of Tanauan was not able to prove otherwise. Lirio's testimony did not sufficiently demonstrate the validity and regularity of the alleged sale.³⁹

³¹ Id. at 15-16.

³² 1d. at 16-18.

³³ Id. at 22.

³⁴ *Rollo*, p. 53.

³⁵ Id.; TSN, May 18, 2012, pp. 6-7.

³⁶ Id.; TSN, May 18, 2012, pp. 7-10.

³⁷ Id.; TSN, May 18, 2012, pp. 11-13.

³⁸ Supra, note 3.

³⁹ *Rollo*, p. 54.

The trial court ruled that if any one party to a contract was already dead at the time of its execution, such contract would undoubtedly be simulated and therefore, null and void. The death of a person terminates contractual capacity, and thus, the sale produced no legal effect and transmitted no rights whatsoever.⁴⁰ Hence, the City of Tanauan did not acquire ownership over the lot. In addition, the cancellation of OCT 3243 and the subsequent registration of the property under TCT T- 42198 had no legal basis.⁴¹ The dispositive portion of the trial court's Decision reads:

WHEREFORE, PREMISES CONSIDERED, JUDGMENT is hereby rendered:

- 1. DECLARING as NULL and VOID the subject Deed of Absolute Sale dated February 10, 1970;
- 2. DECLARING as NULL and VOID Transfer Certificate of Title No. T-42198 registered in the name of the Municipality of Tanauan, Batangas over the parcel of land (Lot no. 406 of the Cadastral Survey of Tanauan) situated in the City of Tanauan, with an area of 1,299 square meters;
- 3. REINSTATING Original Certificate of Title No. 3243 registered in the names of Marcelo Gonzaga, Eleuteria Gonzaga, the wife of Victor Castillo, Pantaleona Gonzaga, Lucio Gonzaga married to Leonarda Silva and Ambrosio Gonzaga married to Geronima Castillo.

The plaintiff's other claims aside from the foregoing are denied for lack of merit and of sufficient basis.

SO ORDERED.42

Aggrieved, the City of Tanauan appealed⁴³ to the CA.

Ruling of the Court of Appeals:

The appellate court, in its assailed January 23, 2015 Decision,⁴⁴ affirmed the trial court's ruling that the Deed of Absolute Sale was void. It similarly found that Millonte satisfactorily overturned the presumption of regularity of the execution of a notarized document because she proved with clear and convincing evidence that the Gonzagas were already dead on the alleged date of the execution of the Deed of Absolute Sale.⁴⁵

The appellate court noted that: "[Millonte] proved that Ambrosio died on 29 December 1959, per the death certificate of Ambrosio issued by the Office of the Civil Registrar of Tanauan, Batangas. Further, it was undisputed that the records of the Office of the Civil Registrar of Tanauan, Batangas were

⁴⁰ ld.

⁴¹ Id. at 54-55.

⁴² Id. at 55.

⁴³ Records, pp. 375, 378.

⁴⁴ Supra, note 1.

⁴⁵ *Rollo*, p. 99.

razed [by] fire during the last world war, hence all original records of deaths from the periods 10 May 1942 to 16 April 1945 were lost. [Millonte] therefore correctly resorted to the presentation of secondary evidence in the form of testimonies of witnesses and certifications issued by the Office of the Civil Registrar of Tanauan, Batangas to prove the time of deaths of Pantaleona, Lucio, Marcelo, and Eleuteria."46 It added that the "fact that the records of deaths of the Office of the Civil Registrar were complete from 1945 up to the date the certifications were issued, leads to the conclusion that Marcelo and Pantaleona died prior to 1945."⁴⁷

Added the CA, since the Gonzaga siblings had already passed away when the Deed of Absolute Sale was allegedly executed on February 10, 1970, they could not have validly signed it. Thus, the Deed of Absolute Sale was simulated, and therefore, void. As such, the deed is subject to attack at any time and the action to declare its nullity is imprescriptible. For this reason, the CA ruled that the RTC correctly ordered the cancellation of TCT T-42198 and the reinstatement of OCT 3243.48

The City of Tanauan filed a motion for reconsideration⁴⁹ which the CA denied in a Resolution⁵⁰ dated June 15, 2015. Discontented, the petitioner elevated⁵¹ the case before the Court and raised the following grounds:

I. The Honorable Court of Appeals decided the case in a way not in accord with law and with the applicable decision of the Supreme Court when it held that the respondent was able to overcome the presumption of regularity by presenting clear and convincing evidence that the Deed of Absolute Sale was forged, because on the date of the alleged execution of the Deed of Absolute Sale, Lucio Gonzaga and his siblings were already dead[.]

II. The resort of the lower court to secondary evidence was not legally justified.52

The main issue is whether or not the Deed of Absolute Sale is null and void.

Petitioner's Arguments:

The City of Tanauan insists that the CA erred in declaring that Ambrosio died on December 29, 1959 since Millonte presented only a certification and not the actual death certificate. Likewise, respondent failed to present the death certificates of Lucio, Marcelo, Eleuteria and Pantaleona.⁵³ Moreover, her testimony with respect to the date of death of Lucio was

⁴⁶ ld.

⁴⁷ Id. at 101.

⁴⁸ Id. at 102.

⁴⁹ CA rollo, pp. 115-118.

⁵⁰ Supra, note 2.

⁵¹ *Rollo*, pp. 3-14. ⁵² Id. at 7.

⁵³ Id. at 9.

hearsay considering that she has no personal knowledge.⁵⁴ Meanwhile, Florentino's testimony regarding the deaths of Eleuteria, Lucio and Ambrosio was uncorroborated.⁵⁵

Concerning the dates of deaths of Marcelo and Pantaleona, petitioner contends that the certifications are not evidence of their deaths. Millonte did not show proof that she went to the Civil Registrar General to secure the death certificates of Pantaleona, Lucio, Marcelo and Eleuteria.⁵⁶ Moreover, the action is barred by laches since the case was filed more than 34 years after the execution of the Deed of Absolute Sale and more than 12 years after the recording of the sale with the Register of Deeds. Withal, Millonte failed to present evidence to overcome the presumption of regularity in the execution of the deed.⁵⁷

Respondent's Arguments:

Conversely, Millonte contends that the Court is not a trier of facts and thus, the instant petition should be denied since it raised factual questions.⁵⁸ Moreover, prescription does not lie against an absolutely null and void contract, and this defense could never be waived.⁵⁹ The Deed of Absolute Sale is not an unenforceable contract⁶⁰ since the signatories thereto have long passed away before its execution.⁶¹

Our Ruling

The petition has no merit.

The City of Tanauan essentially reiterated the issues and arguments which it raised on appeal before the CA. Notably, the appellate court has already passed upon and fully considered these matters. There is no need to independently review the factual circumstances since the findings of the RTC and the CA do not conflict with each other. In fact, the appellate court affirmed the trial court's findings which should be considered as final and conclusive and may not be reviewed anew on appeal. On this score, the rulings of both the RTC and the CA should be accorded respect and affirmation, absent a glaring error or a reason to either reverse or modify their pronouncements.

⁵⁴ Id. at 10.

⁵⁵ Id. at 11.

⁵⁶ Id. at 12.

⁵⁷ Id.

⁵⁸ Id. at 127.

⁵⁹ Id. at 130.

⁶⁰ Id. at 131.

⁶¹ Id. at 133-134.

⁶² Gatan v. Vinarao, G.R. No. 205912, October 18, 2017.

⁶³ Almeda v. Heirs of Almeda, 818 Phil. 239-270, 255-256 (2017).

In any event, after further assessment, We find that respondent proved with preponderant evidence⁶⁴ that the Complaint should be granted. After a review of the records, We hold that the Deed of Absolute Sale was indeed null and void. Case law provides that "forgery cannot be presumed and must be proved by clear, positive and convincing evidence by the party alleging the same."⁶⁵ Hence, Millonte bears the burden to prove that the signatures of the Gonzagas were forgeries because they had died prior to the execution of the Deed of Absolute Sale.

Millonte submitted a Certification indicating the fact of death of Ambrosio, one of the purported vendors. Likewise, she presented Certifications stating that the death certificates of Pantaleona, Lucio, Marcelo, and Eleuteria could not be produced or located due to the fire during the war, which burned the records of the Local Civil Registrar of Tanauan. Moreover, the testimonies of Rolando and Florentino, and even Millonte herself, established that Lucio, Ambrosio, and Eleuteria passed away many years before 1970, when the Deed of Absolute Sale was allegedly executed.

As relatives of the deceased, their information was derived from their personal experiences or conversations with those who knew or were familiar with the Gonzaga siblings. In view of these, Millonte's resort to secondary evidence⁶⁶ was proper, as the original documents (the death certificates of the other Gonzaga siblings) were unavailable because these were destroyed by the fire.⁶⁷ Hence, the deaths of the Gonzagas, the supposed contracting parties, prior to the execution of the Deed of Absolute Sale were sufficiently established.

More importantly, "[i]f any one party to a supposed contract was already dead at the time of its execution, such contract is undoubtedly simulated and false, and, therefore, null and void by reason of its having been made after the death of the party who appears as one of the contracting parties therein." The Certification pertaining to Ambrosio should be considered as proof that he was already deceased long before the execution of the Deed of Absolute Sale. As stated by the City Civil Registrar (of the Office of the City Civil Registrar of Tanauan, Batangas) in the Certification, the office has a record of Ambrosio's death, specifically in Book Number 4, Registry Number 495. This is slightly different from the other Certifications stating that the records of deaths of the

⁶⁴ RULES OF COURT, Rule 133, § (1).

⁶⁵ Tolentino v. Spouses Latagan, 761 Phil. 108, 131 (2015) citing Heirs of Luga v. Sps. Arciaga, 670 Phil. 294 (2011).

⁶⁶ RULES OF COURT, Rule 130, § 5.

SEC. 5. When original document is unavailable. – When the original document has been lost or destroyed, or cannot be produced in court, the offeror, upon proof of its execution or existence and the cause of its unavailability without bad faith on his part, may prove its contents by a copy. or by a recital of its contents in some authentic document, or by the testimony of witnesses in the order stated.

⁶⁷ RCBC Bankard Services Corp. v. Oracion, Jr., G.R. No. 223274, June 19, 2019.

⁶⁸ Heirs of Arao v. Heirs of Eclipse, G.R. No. 211425, November 19, 2018 citing Heirs of Ingjug-Tiro v. Spouses Casals, 415 Phil. 665, 673-674 (2001).

⁶⁹ *Rollo*, p. 39.

other Gonzagas could not be retrieved because these were destroyed. All the same, as long as one contracting party to the contract is proven with evidence to be dead at the time of the execution of the contract – in this case, Ambrosio – the Deed of Absolute Sale should be considered as definitely simulated. Thus, it produced no legal effect.⁷⁰

Considering that the Gonzagas could not have signed the Deed of Absolute Sale, the said contract is null and void. In the same manner, the deed did not convey any legal title to the petitioner. Consequently, TCT T-42198, which was issued in the name of the City of Tanauan "by virtue of the said spurious and forged document[, is] also null and void." Furthermore, "all the transactions, [if any], subsequent to the alleged sale are likewise void."

Petitioner could not even claim to be an innocent purchaser for value⁷³ since it did not show that it fully ascertained the identities and genuineness of the signatures of the purported vendors. It did not diligently search for the real owners of the property and did not verify if they were still alive or not. Curiously, what is apparent is that at the time of the execution of the Deed of Absolute Sale in 1970, some individuals colluded with each other or devised ways to make it appear to Lirio that those who were in the office of then Mayor Gonzales were the owners of the lot. The City's representatives could have investigated further so that they could determine with reasonable certainty whether the alleged sellers were indeed the registered owners and had the capacity to sell the property.

The petitioner could not also claim the due execution of the Deed of Absolute Sale simply because it was notarized. "Time and again, we have ruled that 'while it is true that a notarized document carries the evidentiary weight conferred upon it with respect to its due execution, and has in its favor the presumption of regularity, this presumption, however, is not absolute."⁷⁴ The presumption is not conclusive as it can be refuted by clear and convincing evidence.⁷⁵ Since the petitioner did not present the testimony of the notary public who notarized the Deed of Absolute Sale, there would be no convincing basis to conclude that the signatories were the real owners of the property.

Besides, the petitioner did not even attempt to submit other documents showing the signatures of the Gonzagas to compare with those affixed in the Deed of Absolute Sale, if only to ascertain that the signatures were genuine. Likewise, it did not offer documentary or testimonial evidence to show that the Gonzagas were still alive at the time of the execution of the sale. Ergo, the presumption of regularity accorded to notarized documents cannot stand in

⁷⁰ Javier v. Villamin, G.R. No. 243309 (Notice), February 4, 2019 citing Vda. De Cabalu v. Spouses Tabu. 695 Phil. 729, 740 (2012).

Heirs of Arao v. Heirs of Eclipse, supra note 68 citing Gambito v. Bacena, G.R. No. 225929 (Resolution), January 24, 2018.

⁷² Id. citing *Pabalan v. Santarin*, 441 Phil. 462, 471 (2002).

⁷³ See. Spouses Aggabao v. Spouses Parulan, Jr., 644 Phil. 26-43, 38-41 (2010).

⁷⁴ Mendoza v. Fermin, 738 Phil. 429, 444 (2014) citing Meneses v. Venturozo, 675 Phil. 641, 586 (2011).

⁷⁵ Odrada v. Lazaro, G.R. No. 205515, January 20, 2020.

this instance, especially when it was established that the Gonzagas have all passed away and thus could not have signed the deed.

Article 1410 of the Civil Code relevantly states that "[t]he action or defense for the declaration of the inexistence of a contract does not prescribe." In other words, "an action that is predicated on the fact that the conveyance complained of was null and void *ab initio* is imprescriptible." Therefore, Millonte, as an heir, could assail the validity of the Deed of Absolute Sale even years after the execution of the document, and even if the title of the property has already been transferred in the name of the City of Tanauan. The passage of time in this case could not defeat the legal principle that a null and void contract can be assailed anytime due to the imprescriptibility of the action. In like manner, given that the action is imprescriptible, the petitioner cannot invoke laches as a defense. Undeniably, Millonte is not estopped from assailing the Deed of Absolute Sale specifically since the signatures of the Gonzaga siblings were forged and without any binding or legal effect.

Jurisprudence teaches that "the 'declaration of nullity of a contract which is void *ab initio* operated to restore things to the state and condition in which they were found before the execution thereof." If the Court were to permit the City of Tanauan to retain ownership of the property notwithstanding the void nature of the contract of sale, such would result in unjust enrichment as the petitioner would continue to benefit from the lot. This is regardless of the undisputed fact that the Tanauan Water District stands on the contested property.

In view of the foregoing discussion, the Court rules that the RTC and the CA correctly decreed the nullity of the Deed of Absolute Sale and the cancellation of TCT T-42198, as well as the reinstatement of OCT 3243 in the name of the Gonzagas.

WHEREFORE, the Petition for Review is **DENIED** for lack of merit. The assailed January 23, 2015 Decision and June 15, 2015 Resolution of the Court of Appeals in CA-G.R. CV No. 100050 are **AFFIRMED**. Costs on petitioner City of Tanauan.

⁷⁶ CIVIL CODE, Article 1410.

⁷⁷ Heirs of Arao v. Heirs of Eclipse, supra note 68.

^{&#}x27;⁸ Id.

⁷⁹ See: Garcia v. Guimoc, G.R. No. 237315 (Notice), April 23, 2018.

Delos Santos v. Abejon, 807 Phil. 720, 731 (2017) citing Development Bank of the Philippines v. Court of Appeals, 319 Phil. 447, 454-455 (1995).

SO ORDERED.

Associate Justice

WE CONCUR:

MARVIÉ M. V. F. LEONEN

Associate Justice Chairperson

UL B. INTING

Associate Justice

EDGARDO L. DELOS SANTOS

Associate Justice

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.

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

ALEXANDER G. GESMUNDO