



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

SOCORRO P. CABILAO,
Petitioner,

G.R. No. 209702

Present:

- versus -

PERLAS-BERNABE, S.A.J.,*
HERNANDO,
*Acting Chairperson,***
ZALAMEDA,
ROSARIO, and
MARQUEZ, JJ.

MA. LORNA Q. TAMPAN, rep.
by her Attorney-in-fact JUDITH
TAMPAN-MONTINOLA &
DANILO TAMPAN,
Respondents.

Promulgated:

MAR 23 2022

X -----X

DECISION

HERNANDO, J.:

This Petition for Review on *Certiorari*¹ seeks to annul the January 31, 2013 Decision² and October 3, 2013 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV. No. 01695, which reversed the September 21, 2007 Decision⁴ of the Regional Trial Court (RTC) of Surigao City, Branch 29, in so far as Civil Case No. 4826 is concerned in the consolidated cases docketed as Civil Case Nos. 4818 and 4826.

* On official leave.

** Per Special Order No. 2882 dated March 17, 2022.

¹ *Rollo*, pp. 11-24.

² *CA rollo*, pp. 80-101. Penned by Associate Justice Ma. Luisa C. Quijano-Padilla and concurred in by Associate Justices Romulo V. Borja and Marie Christine Azcarraga-Jacob.

³ *Rollo*, pp. 52-56.

⁴ *CA rollo*, pp. 33-42. Penned by Assisting Judge Louis P. Acosta.

The Antecedents:

On April 7, 1988, Lorna Tampan-Naldoza (Lorna) purchased a residential house and lot from Socorro Cabilao (Socorro) located at 599 Narciso St., Surigao City (subject property), covered by TCT No. T-59, through a Deed of Absolute Sale of a Residential Land together with a House⁵ (Deed of Sale), in the amount of ₱10,000.00. Since Lorna was in the United States, her mother, Antonieta, purchased the property on her behalf.⁶ In 1995, Lorna decided to have TCT No. T-59 registered in her name but she discovered that the owner's duplicate got lost while it was kept by Judith Tampan-Montinola (Judith) in the house. Thereafter, Lorna, through Judith, filed a petition for the issuance of a new owner's duplicate. However, spouses Lapulapu and Lelita (Lelita) Buyser (collectively, spouses Buyser) opposed her petition on the ground that they were in possession of the said title after buying the same from Socorro. Thus, Lorna's petition was dismissed.⁷

When Lelita informed Socorro about the petition for the issuance of a new owner's copy of the title, Socorro denied having sold the subject property to Lorna. However, due to the controversy, Socorro repurchased the subject property and the owner's duplicate was surrendered back to her.⁸

On April 29, 1996, Lorna and Judith lodged a complaint for declaration of nullity of a *pacto de retro* sale entered into on January 25, 1995 between Socorro and spouses Buyser. The case was docketed as Civil Case No. 4818.⁹

On May 5, 1996, Socorro filed an action for Annulment or Cancellation of Document, Quieting of Title/Recovery of Ownership and Possession, Injunction, and Damages with Prayer for Preliminary Injunction and Temporary Restraining Order¹⁰ against Lorna and Danilo Tampan, which was docketed as Civil Case No. 4826. She alleged that she was the absolute and registered owner of the subject property covered by TCT No. T-59 which was in her possession. Moreover, on April 18, 1990, she sold the subject property through a *pacto de retro* sale to Enriqueta Baybayon (Enriqueta) for ₱89,000.00, and to Lelita on January 25, 1995. During both transactions, she surrendered her owner's copy of TCT No. T-59 to Enriqueta and Lelita.¹¹

In her Answer,¹² Lorna maintained that she owned the subject property and claimed that Socorro was in full possession of her mental faculties when they signed the Deed of Sale before the notary public, Atty. Ildefonso Mantilla (Atty. Mantilla). Moreover, the document was translated and interpreted by Atty.

⁵ Records, p. 146.

⁶ TSN, September 25, 1997, pp. 9-10.

⁷ TSN, November 3, 1999, pp. 5-17.

⁸ TSN, April 22, 2003, p. 22.

⁹ CA *rollo*, p. 81.

¹⁰ Records, pp. 1-6.

¹¹ *Rollo*, pp. 152-153.

¹² Records, pp. 32-34.

Mantilla to Socorro in the Surigaonon dialect, which is the dialect she understands. Since Lorna was in the United States, her mother, Antonieta, personally gave the consideration of ₱10,000.00 to Socorro in the presence of Atty. Mantilla. In the Deed of Sale, Antonieta also signed for and on Lorna's behalf. The true consideration paid was more or less ₱100,000.00 but the Deed of Sale reflected a lesser amount to avoid a higher payment of taxes. The owner's copy of TCT No. T-59 was stolen by Socorro while she was living in the subject property.¹³

On August 23, 1996, the RTC ordered the consolidation of Civil Case Nos. 4818 and 4826.¹⁴

During trial, herein respondents presented Judith, Matilde Flores (Matilde), Atty. Mantilla, Jorge Quano (Jorge), and Reynaldo Tampan (Reynaldo). On the other hand, petitioner presented Enriqueta, Lelita, and Socorro herself.

Judith testified that Lorna purchased the property from Socorro through their mother, Antonieta. Socorro turned over the owner's copy of the TCT to Antonieta, who later own handed it over to Judith when the former left for the United States. Prior to Lorna's purchase of the subject property, she used to live three kilometers away and only transferred in the subject property after its purchase. From the time of the purchase, they have been paying the real estate taxes on the subject property, as well as the utility bills. They also shouldered Socorro's medical check-ups while she was residing with them. Moreover, the transfer of title to the property was not immediately done since the money Lorna sent was only sufficient for the payment of the property. When Lorna sent the money for the transfer of title sometime in 1995, it was also the time when Socorro suddenly left their house without notice and took the owner's copy of the title with her.¹⁵

Atty. Mantilla, the notary public before whom the Deed of Sale was executed, testified that he prepared and notarized the Deed of Sale between Socorro and Lorna. Socorro appeared personally while Antonieta represented Lorna and signed on her behalf. The execution of the sale was witnessed by a certain Roque Miole, legal aid from the Integrated Bar of the Philippines (IBP), and Maria Pecante, his office staff. Socorro handed over a photocopy of the title to Antonieta and the latter gave Socorro ₱10,000.00.¹⁶

Reynaldo confirmed that it was his sister Lorna who bought the subject property, and he accompanied Antonieta to the notary public during the execution of the Deed of Sale. The real consideration of the property is

¹³ Id.

¹⁴ Records, p. 27.

¹⁵ TSN, November 3, 1999, pp. 5-27.

¹⁶ TSN, February 5, 2001, pp. 4-10.

₱100,000.00 but only ₱10,000.00 was declared in order to lessen the payment of taxes. The following day, Socorro gave to his mother the owner's copy of TCT No. T-59.¹⁷

Another witness, Matilde, worked as a laundrywoman for the Tampans.¹⁸ Meanwhile, Jorge lived in the subject property for quite some time.¹⁹ Both witnesses testified that Socorro sold the subject property to Lorna.²⁰

On the other hand, Enriqueta testified that the subject property was sold to her by Socorro through a *pacto de retro* sale for ₱89,000.00. As guarantee, Socorro gave her the owner's copy of TCT No. T-59. She gave the money to Socorro, who in turn handed it over to Danilo Tampan (Danilo) since the latter asked help from Socorro for his construction business. Danilo and his father, Felicisimo, accompanied Socorro and signed as witnesses during the transaction. It took three years before Socorro was able to redeem the property. Moreover, it was Danilo who made the partial payments and the balance was paid by Socorro after the latter found out that the whole amount had not been paid.²¹

Lelita testified that the subject property was sold to her by Socorro through a *pacto de retro* sale and the owner's copy of TCT No. T-59 was also surrendered to her. She and her husband opposed the petition for the issuance of a new owner's copy of the title filed by Lorna. Eventually, Socorro redeemed the property and Lelita returned the owner's copy of the title of the property.²²

Lastly, Socorro denied the sale of the property in favor of Lorna.²³ The Tampans would let her sign various documents whenever she borrowed money and claimed that the alleged Deed of Sale is one of those documents. It was Danilo and Felicisimo who requested her to mortgage the subject property to Enriqueta since Danilo needed funds for his construction business. They even promised to redeem the property. The Tampans paid for the utility bills of the house.²⁴

Ruling of the Regional Trial Court:

In its September 21, 2007 Decision,²⁵ the RTC dismissed Civil Case No. 4818 considering that Socorro had already repurchased the property from Lelita and the latter already returned the owner's copy of TCT No. T-59. Thus, the

¹⁷ TSN, July 11, 2001, pp. 5-11.

¹⁸ TSN, April 17, 1998, p. 5.

¹⁹ TSN, April 24, 2001, pp. 5-6.

²⁰ TSN, April 17, 1998, pp. 5; TSN, April 24, 2001, pp. 11-12.

²¹ TSN, September 19, 2002, pp. 3-19.

²² TSN, November 14, 2002, pp. 6-11.

²³ TSN, April 22, 2003, pp. 13-17.

²⁴ Id. at 18-20.

²⁵ CA *rollo*, pp. 33-42.

action for nullity of the *pactro de retro* sale had already become moot and academic.

As to Civil Case No. 4826, the RTC declared the Deed of Sale between Socorro and Lorna as null and void. It held that since TCT No. T-59 is under the name of Socorro, it was evidence of indefeasible title to the property. Moreover, the title was in Socorro's possession which is contrary to the regular course of business, if indeed it was sold to Lorna. The Deed of Sale between Lorna and Socorro is unenforceable considering that Lorna did not sign the document as she was in the United States at that time. While Antonieta signed on her behalf, there was nothing on record to prove that Lorna authorized her mother to transact on her behalf. The price of ₱10,000.00 is grossly inadequate thereby rendering the contract questionable. Lastly, the RTC pointed out that it took Lorna seven years before transferring the title to her name for no valid reason. Hence, the timing was suspicious since Lorna wanted to transfer the title of the property in her name while Socorro was away.²⁶

The dispositive portion of the decision reads:

WHEREFORE, in view of the foregoing, the Court finds in favor of Socorro Cabilao.

Civil Case No. 4818 praying for the declaration of the Pacto de Retro Sale entered between defendants as void; and for the spouses Buyser to deliver to the plaintiffs TCT No. T-59 had been rendered moot and academic and is hereby DISMISSED.

Under Civil Case No. 4826, judgment is hereby rendered declaring the "Deed of Absolute Sale of a Residential Land Together with a House" dated April 7, 1988 null and void. Socorro Cabilao is hereby confirmed as the lawful owner of the subject real properties. And Lorna Q. Tampan-Montinola and Danilo Q. Tampan and any and all persons claiming any right over the property through them are hereby ordered to surrender possession of the subject properties peacefully to Socorro Cabilao.

No pronouncement as to costs.

SO ORDERED.²⁷

Aggrieved, respondents filed an appeal.²⁸

Ruling of the Court of Appeals:

In its January 31, 2013 Decision,²⁹ the CA reversed the RTC's findings. It held that while the Torrens title is evidence of indefeasible title over the property, the execution of a deed of sale of such property transfers the ownership

²⁶ Id. at 41-42.

²⁷ Id. at 42.

²⁸ Id. at 13-29.

²⁹ Id. at 80-101.

thereof to the buyer even if the same remains under the name of the seller or registered owner. Since Socorro assails the validity of the Deed of Sale to Lorna, she has the burden of proving its invalidity. However, Socorro failed to substantiate her claim that the Tampans employed fraud and deception in securing her signature on the Deed of Sale. The Tampans were paying for the realty taxes over the property, thereby indicating strong evidence of ownership.³⁰

The CA further held that the Deed of Sale between Socorro and Lorna, being a notarized document, bears evidentiary weight with respect to its due execution and enjoys a presumption of regularity. As to the gross inadequacy of the consideration, the CA ruled that it does not affect the validity of the sale. Likewise, it held that the late or non-registration of a deed of sale does not affect its validity.³¹

The *fallo* of the CA Decision reads:

WHEREFORE, premises considered, the instant appeal is **GRANTED**. The Decision dated September 21, 2007 issued by the Regional Trial Court, Branch 29, Surigao City is hereby **MODIFIED** in that as to Civil Case No. 4826, the same is hereby **REVERSED and SET ASIDE** and the Complaint for [“]Annulment or Cancellation of Document, Quieting of Title/Recovery of Ownership and Possession, Injunction, and Damages with Prayer for Preliminary Injunction and Temporary Restraining Order” filed by appellee Socorro Cabilao is hereby **DISMISSED** for lack of merit.

SO ORDERED.³²

Socorro sought reconsideration³³ but it was denied by the CA in its October 3, 2013 Resolution.³⁴

Hence, the present petition.³⁵ Socorro maintains that she never sold the subject property to Lorna or any of the latter’s representatives. As an illiterate person, she claims that she does not understand English and while the purported deed of sale bears her signature, the same was obtained through fraud by the Tampans in the guise of signing loan documents whenever she borrowed money. Thus, she contends that the Deed of Sale is a simulated contract or one tainted with fraud and therefore null and void.³⁶

³⁰ Id. at 92-98.

³¹ Id. at 98-99.

³² Id. at 100.

³³ Id. at 102-111.

³⁴ *Rollo*, pp. 52-56. Penned by Associate Justice Romulo V. Borja and concurred in by Associate Justices Ma. Christine Azcarraga Jacob and Oscar V. Badelles.

³⁵ Id. at 11-24.

³⁶ Id. at 16-21.

Socorro further claims that her possession over the owner's duplicate copy of the TCT is inconsistent with any intention to convey ownership to another. The property had been the subject of two *pacto de retro* sales which shows that she clearly had possession over the owner's copy of the title. She points out that if the sale of the subject property indeed transpired, respondents did not take the necessary steps to register the property in their name for almost seven years.³⁷

In their Comment,³⁸ respondents argue that Socorro has the burden of proving the existence of fraud which she failed to discharge. Socorro already admitted the genuineness of her signature in the Deed of Sale. However, aside from her bare assertion, Socorro's claim of the existence of fraud remains unsubstantiated. More importantly, the Deed of Sale was notarized. Hence, it carried the presumption of its due execution. As to the claim of gross inadequacy of price and non-registration of the deed of sale, respondents contend that it does not affect the validity of a contract of sale.

Both parties also filed their respective memoranda.³⁹

Issue

The issue for resolution before the Court is whether the Deed of Sale between Lorna and Socorro is valid.

Our Ruling

We find the petition unmeritorious.

The present controversy hinges on the validity of the Deed of Sale between Lorna and Socorro, which however is a question of fact.⁴⁰ It is well-settled that questions of fact are not reviewable in petitions for review on *certiorari* under Rule 45 of the Rules of Court. As a general rule, this Court is not duty-bound to analyze again and weigh the evidence introduced in and considered by the courts below.⁴¹ Factual findings of the lower courts, if supported by substantial evidence, are accorded great respect and even finality by this Court unless the case falls under any of the exceptions such as when the findings are contrary to those of the trial court.⁴² In the case at bar, the CA's factual findings are contrary to those of the RTC. Hence, this Court is called upon to reevaluate the factual findings below.

³⁷ Id. at 21-24.

³⁸ Id. at 76-146.

³⁹ Id. at 130-146 and 150-159.

⁴⁰ *Dela Cruz v. Spouses Sison*, 492 Phil. 139, 144 (2005).

⁴¹ *Medina v. Court of Appeals*, 693 Phil. 356, 366 (2012).

⁴² Id. at 366-367, citing *Cirtek Employees Labor Union-Federation of Free Workers v. Cirtek Electronics Inc.*, 665 Phil. 784, 789 (2011).

After a judicious review of the records of the case, We sustain the findings of the CA and uphold the validity of the Deed of Sale between Lorna and Socorro.

Article 1305 of New Civil Code (NCC) provides that a contract is “a meeting of minds between two persons whereby one binds himself, with respect to the other, to give something or to render some service.” The essential requisites are: (1) consent of the contracting parties; (2) object certain which is the subject matter of the contract; and (3) cause of the obligation which is established. In the present case, all the elements of a valid contract are present. In the case at bar, the Deed of Sale validly transferred the ownership over TCT No. T-59 from Socorro to Lorna in consideration of ₱10,000.00. Arguing the absence of consent on her part, Socorro claims that the Deed of Sale is null and void since her signature thereon was obtained through fraud, or under the guise of a contract of loan. However, the evidence on record belies her theory.

Reynaldo testified that he was present during the execution of the Deed of Sale where he witnessed Antonieta and Socorro sign the document. He further testified that Socorro gave Antonieta the owner’s duplicate copy of the title the following day.⁴³

More importantly, Atty. Mantilla, who prepared and notarized the Deed of Sale, testified and categorically stated that Socorro signed the Deed of Sale and received the consideration of ₱10,000.00 from Antonieta. At that instance, Socorro handed over a photocopy of the duplicate copy of the title to Antonieta. When asked why Socorro only handed over a photocopy of the TCT, she answered that the duplicate copy was still with a certain Leon Danaque because of her outstanding loan with him.⁴⁴

It is a well-settled rule that a duly notarized document enjoys the *prima facie* presumption of authenticity and due execution, as well as the full faith and credence attached to a public instrument.⁴⁵ Thus, a party assailing the authenticity and due execution of a notarized document is required to present evidence that is clear, convincing and more than merely preponderant.⁴⁶ Here, Socorro failed to overcome this burden. Aside from her self-serving allegation that she did not know that she was signing a Deed of Sale, there is nothing else on record that supports her assertion.

While Socorro claims that she is an illiterate person, she failed to prove this fact. When a party claims that one is unable to read or is otherwise illiterate, and fraud is alleged, a presumption that there is fraud or mistake in obtaining consent of that party arises under Article 1332 of the NCC, which provides:

⁴³ TSN, July 11, 2001, pp. 9-11.

⁴⁴ TSN, February 5, 2001, pp. 8-13.

⁴⁵ *Gatan v. Vinarao*, 820 Phil. 257, 267 (2017).

⁴⁶ *Manongsong v. Estimo*, 452 Phil. 862, 877-878 (2003), citing *Ruiz v. Court of Appeals*, 414 Phil. 310, 325 (2001); see also *Realubit v. Spouses Jaso*, 673 Phil. 618, 625-626 (2011).

When one of the parties is unable to read, or if the contract is in a language not understood by him, and mistake or fraud is alleged, the person enforcing the contract must show that the terms thereof have been fully explained to the former.

However, for Article 1332 to be applicable, the contracting party who alleges fraud or vitiated consent must establish the same by full, clear and convincing evidence.⁴⁷ The party must show clear and convincing evidence of one's personal circumstances and that he or she is unable to read at the time of execution of the contested contract.⁴⁸ Here, there is nothing in Socorro's testimony showing that she cannot read English or that she was illiterate. To the contrary, the *pacto de retro* sales⁴⁹ that she entered into with Enriqueta and Lelita, respectively, indicate that she is able to read, affix her signature, freely give her consent and enter into contracts. Thus, the presumption of fraud did not arise and Socorro had the burden of proving that the Tampans fraudulently secured her signature under the guise of another loan document which she would usually sign whenever she borrowed money. However, she failed to do so. In fact, such purported loan documents were not even offered in evidence.

It is also of no moment that the consideration was in the amount of ₱10,000.00. Gross inadequacy of price does not affect the validity of a contract of sale, unless it signifies a defect in the consent or that the parties actually intended a donation or some other contract.⁵⁰ Inadequacy of cause will not invalidate a contract unless there has been fraud, mistake or undue influence.⁵¹ As earlier stated, fraud was not proven. Hence, the consideration in the amount of ₱10,000.00 did not invalidate the sale.

We likewise note that the title over the subject property remained under Socorro's name despite the execution of the Deed of Sale. However, this does not also affect the validity of the deed of sale. Transfer of the certificate of title in the name of the buyer and transfer of ownership to the buyer are two different concepts.⁵² As correctly held by the CA, between the seller and buyer, ownership is transferred not by the issuance of the new certificate of title in the name of the buyer but by the execution of the instrument of sale in a public document.⁵³ Article 1498 of the New Civil Code provides that:

Art. 1498. When the sale is made through a public instrument, the execution thereof shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred.

Therefore, contrary to Socorro's assertion, it is of no moment that the title was only registered seven years after the deed of sale was executed. The sale

⁴⁷ *Leonardo v. Court of Appeals*, 481 Phil. 520, 581 (2004), citing *Arriola vs. Mahilum*, 392 Phil. 242, 250 (2000).

⁴⁸ *Id.*

⁴⁹ Exhibits "1," "2" to "2-A."

⁵⁰ New Civil Code, Art. 1470.

⁵¹ New Civil Code, Art. 1355.

⁵² *Chua v. Court of Appeals*, 449 Phil. 25, 46 (2003).

⁵³ *CA rollo*, p. 96.

was already perfected upon the execution of the Deed of Sale before Atty. Mantilla. The non-registration of the title was also aptly explained by Judith in that the money given by Lorna, who was in the United States, was only enough for the purchase of the property. Hence, it took some time before the same could be registered and transferred in Lornas's name.

While Socorro was able to enter into *pacto de retro* sales for being in possession of the owner's duplicate of the TCT, this fact cannot overturn the evidentiary weight of the notarized Deed of Sale in favor of Lorna. In fact, Enriqueta testified that the proceeds of the *pacto de retro* sale were given to Danilo for his construction company. During cross examination, Socorro confirmed this and stated that it was Danilo and his dad Felicisimo who requested to mortgage the property.⁵⁴ Precisely because the title was still in Socorro's name despite the sale, it is logical to conclude that the Tampans had to ask Socorro to enter into a contract with Enriqueta to borrow money. If indeed the *pacto de retro* sale was entered into because Danilo borrowed from Socorro as the latter claims, it would have been prudent if the loan was put into writing and presented as evidence. However, such is not the case.

It is also uncontested that the real property taxes are paid by the Tampans.⁵⁵ It is a settled rule that tax declarations and realty tax payment of property are not conclusive evidence of ownership, they are nonetheless good *indicia* of the possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession.⁵⁶ Coupled with the other pieces of respondent's evidence, it is reasonable to conclude that the property was indeed sold to Lorna since the Tampans have been living in the property and exercising acts of dominion and control over the property.

As between the testimonies of petitioner and her other witnesses which failed to prove clearly, positively, and convincingly that she did not intend to sell the property, and the testimonial and documentary evidence of respondents, *i.e.*, the notarized Deed of Sale, tax declaration, and tax receipts, the latter evidence prevails. Testimonial evidence is susceptible to fabrication and there is very little room for choice between testimonial evidence and documentary evidence. Thus, in the weighing of evidence, documentary evidence prevails over testimonial evidence.⁵⁷ Taking into account the totality of evidence in the present case, this Court is inclined to rule in favor of Lorna.

WHEREFORE, the petition is hereby **DENIED**. The January 31, 2013 Decision of the Court of Appeals in CA-G.R. CV. No. 01695 is hereby **AFFIRMED**.

⁵⁴ TSN, April 22, 2003, pp. 18-19.

⁵⁵ Exhibits "D" to "D-6;" TSN, November 3, 1999, pp. 31-33; TSN, April 22, 2003, pp. 20-21.

⁵⁶ *Tolentino v. Sps. Latagan*, 761 Phil. 108, 137-138 (2015), citing *Ganila v. Court of Appeals*, 500 Phil. 212, 224 (2005).


⁵⁷ *Government Service Insurance System v. Court of Appeals*, 294 Phil. 699, 710 (1993), citing *Marvel Building Corporation vs. David*, 94 Phil. 376, 387-388 (1954).

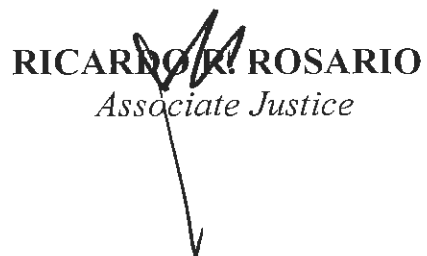
SO ORDERED.



RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

On official leave.
ESTELA M. PERLAS-BERNABE
Senior Associate Justice

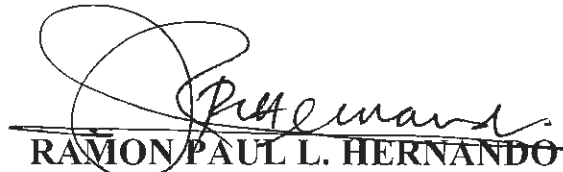

RODIL V. ZALAMEDA
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JOSE MIDAS MARQUEZ
Associate Justice

ATTESTATION

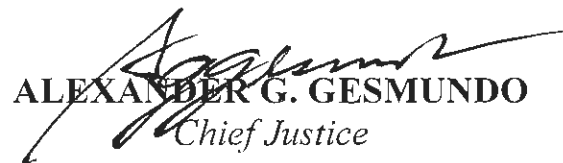
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson

CERTIFICATION

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



ALEXANDER G. GESMUNDO
Chief Justice