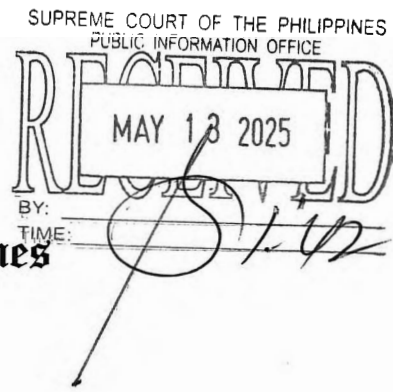




Republic of the Philippines
Supreme Court
Manila



THIRD DIVISION

SPOUSES FELICIANA and
ANGEL CESA, substituted by
their heirs, represented by
ANGELICA CESA JORGE,
with business names POSTEMA
REALTY CORPORATION and
TANZA REGAL FARM,
Petitioners,

G.R. No. 255564

Present:

CAGUIOA, J., Chairperson,
HERNANDO,*
INTING,
GAERLAN, and
DIMAAMPAO, JJ.

- versus -

SPOUSES ELISA MONTANO
BRUCELAS and DAVID
BRUCELAS, SPOUSES
RAYMUNDO A. DEL
ROSARIO and NELIA DEL
ROSARIO, and the HEIRS OF
ANDRES MONTANO—LIDO
QUINI-QUINI, DANIEL M.
QUINI-QUINI, and CRISTINA
M. QUINI-QUINI, and their
Spouses,

Respondents.

Promulgated:

MAR 05 2025

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* Designated additional Member vice J. Singh, per Raffle dated March 8, 2023.

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DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court filed by Spouses Angel² and Feliciana Cesa³ (collectively, Spouses Cesa) assailing the Decision⁴ dated October 10, 2019, and the Resolution⁵ dated February 1, 2021, of the Court of Appeals (CA) in CA-G.R. CV No. 106245. The CA reversed the Decision⁶ dated July 13, 2015, of Branch 23, Regional Trial Court (RTC), Trece Martires City in Civil Case No. TMCV-052-10 and held that Spouses Cesa failed to prove that they first bought the subject property from Consolacion Montano (Consolacion), Elisa Montano Brucelas (Elisa), and Consuelo Montano Quini-quini (Consuelo).

The Antecedents

Consolacion was the wife of Andres Montano (Andres) (collectively, Spouses Montano), the former registered owners of Lot No. 1799 of Plan A-21 of the Sta. Cruz de Malabon Estate, covered by Transfer Certificate of Title (TCT) No. T-8107, located at Sahud-Ulan, Tanza, Cavite, with an area of 48,639 square meters (Lot No. 1799). Elisa and Consuelo are the daughters of Spouses Montano. Elisa married David Brucelas (collectively, Spouses Brucelas), while Consuelo married Lido Quini-quini.

Sometime in the year 1968, Andres died which led to the Extra-judicial Partition⁷ of Lot No. 1799 in 1969. Consolacion, the widow, acquired one-half of the property, and her children Elisa and Consuelo

¹ *Rollo*, pp. 39–56.

² *Id.* at 138–139. Died on May 19, 2017 per Death Certificate dated May 30, 2017.

³ *Id.* at 385–387. In the Resolution dated August 17, 2022, the Court noted petitioners' Compliance and Notice dated November 10, 2021, wherein petitioners informed the Court of Feliciana Cesa's death on September 6, 2021 and prayed for the substitution of Spouses Felician and Angel Cesa by their heirs.

⁴ *Id.* at 8–28. Penned by Associate Justice Maria Filomena D. Singh (now a Member of this Court) and concurred in by Associate Justices Zenaida T. Galapate-Laguilles and Geraldine C. Fiel-Macaraig of the Special Fifteenth Division, Court of Appeals, Manila.

⁵ *Id.* at 30–35. Penned by Associate Justice Maria Filomena D. Singh (now a Member of this Court) and concurred in by Associate Justices Zenaida T. Galapate-Laguilles and Geraldine C. Fiel-Macaraig of the Former Special Fifteenth Division, Court of Appeals, Manila.

⁶ *Id.* at 518–525. Penned by Executive Judge Aurelio G. Icasiano, Jr.

⁷ RTC records, pp. 16–25.

obtained the remaining half in equal portions.⁸

The case stemmed from the Complaint⁹ for Annulment/Rescission of Contract, Cancellation of Title and Specific Performance with Claims for Damages, filed by Spouses Cesa against Elisa, Consuelo, and Spouses Nelia and Raymundo A. Del Rosario (collectively, Spouses Del Rosario).

Version of Spouses Cesa

Spouses Cesa were the owners of the Postema Realty Corporation (Postema) and of the Tanza Regal Farms.¹⁰

Sometime between 1984 and 1985, after the death of Andres and the extrajudicial partition of his properties, Consolacion sold her share over Lot No. 1799 to Spouses Cesa for a consideration of PHP 60,000.00. On the other hand, the siblings Elisa and Consuelo sold their respective shares to Spouses Cesa for the total price of PHP 340,474.00.¹¹ Consolacion, Elisa, and Consuelo inscribed the sale in an unnotarized Deed of Absolute Sale¹² (1985 DOAS) and indicated Postema as the buyer of the subject land. The sellers indicated in the 1985 DOAS were merely Consolacion and the late Andres. However, the signature affixed above the name of the late Andres was that of Apolonia Montano (Apolonia), his sister.

On account of the infirmities suffered by the 1985 DOAS, Spouses Cesa requested Consolacion, Elisa, and Consuelo, to execute another deed of sale that is correct in form and substance. Also, Spouses Cesa demanded from Consolacion, Elisa, and Consuelo, to deliver to them the title of Lot No. 1799, but to no avail.

Nonetheless, Consolacion, Elisa, and Consuelo allowed Spouses Cesa to immediately take possession of Lot No. 1799 in the concept of an owner. Resultantly, Spouses Cesa paid the real property taxes thereon.¹³ They also built a perimeter fence and structures on the subject land for

⁸ As consistently found by the RTC and the CA. *See* CA Decision, *rollo*, p. 9. *See* RTC Decision, *id.* at 518.

⁹ *Id.* at 1–15.

¹⁰ *Id.*

¹¹ *Id.* at 3. *See* Complaint.

¹² RTC records, p. 301.

¹³ *Id.* at 264–267. *See* Real Property Tax Receipts for the years 1985 to 1996.

their livestock farm business, the Tanza Regal Farms for which a Mayor's Permit¹⁴ dated August 3, 1993, was issued.¹⁵ Eventually, when Raymundo Del Rosario (Raymundo) himself became the Mayor of Tanza, Cavite, he also issued a Mayor's Permit in 1999 for the Tanza Regal Farms.

Spouses Cesa continuously paid the real property taxes on the land, until the Treasurer's Office of Tanza, Cavite informed them in 1996 that it would no longer accept payments of real property taxes from them. Feliciana Cesa (Feliciana) inquired from the Treasurer's Office and discovered that after the death of Consolacion on March 21, 1995, Elisa, with authority from her sister Consuelo, had again sold Lot No. 1799 to Spouses Del Rosario through a notarized Deed of Absolute Sale dated June 17, 2002 (2002 DOAS).

Thus, Spouses Cesa met with Spouses Del Rosario and personally informed them that they had already bought Lot No. 1799 from Consolacion, Elisa, and Consuelo, in 1985 and that they are its actual possessors. However, Spouses Del Rosario ignored them.

During the course of the trial, after going through her voluminous records, Feliciana found a copy of the notarized Deed of Absolute Sale dated January 4, 1986 (1986 DOAS), which Elisa executed with authority from Consolacion and Consuelo, curing the infirmities suffered by the 1985 DOAS.

Version of Spouses Del Rosario

For his part, Raymundo averred that sometime between 1992 and 1995, Elisa and her husband David, Spouses Brucelas, offered to sell Lot No. 1799 to him. He admitted that he did not try to locate the property and only checked the authenticity of the property's title with the Registry of Deeds to ascertain that it had no *lis pendens* annotated thereon. According to Raymundo, Spouses Brucelas showed the general area of the subject lot to him, but he did not bother to have the lot surveyed to check its exact description.¹⁶

¹⁴ *Id.* at 270.

¹⁵ *Rollo*, p. 519.

¹⁶ *CA rollo*, p. 49. Appellants' Brief of the Spouses Del Rosario.



Finding the title to be clean and believing that Lot No. 1799 was vacant, Spouses Del Rosario proceeded to purchase the subject property from Spouses Brucelas, with the authority from Consuelo, for a consideration of PHP 1,400,000.00,¹⁷ as evidenced by the 2002 DOAS.¹⁸

Raymundo registered Lot No. 1799 under his name. On September 9, 2002, the Registry of Deeds issued TCT No. T-1019104¹⁹ under the name "*Raymundo A. Del Rosario, of legal age, married to Nelia V. Del Rosario, Filipino.*"

Thereafter, Raymundo declared the subject lot for taxation purposes and attempted to install fences thereon. However, Spouses Cesa who were occupying the land prevented him from doing so and asserted that they are the owners thereof. Raymundo sent a surveyor to the property to confirm the contentions of Spouses Cesa, but the surveyor failed to go inside the property as Spouses Cesa were occupying the premises.²⁰

Raymundo then confronted Spouses Brucelas regarding Spouses Cesa's claim of ownership over Lot No. 1799, but Spouses Brucelas assured him that Spouses Cesa have no right whatsoever over the subject land, as it was not sold to them. According to Spouses Brucelas, what Spouses Cesa owned was the 12-hectare parcel of land adjacent to Lot No. 1799, not the subject land itself.

Resultantly, Spouses Del Rosario filed an ejectment suit against Spouses Cesa, but the Municipal Trial Court of Tanza, Cavite dismissed the case. Spouses Del Rosario no longer appealed the dismissal of the case as they contemplated on filing an action for recovery of possession and ownership over Lot No. 1799.²¹

Spouses Del Rosario also denied having knowledge of Spouses Cesa's claim of ownership over the subject land or that the latter already occupied it; they averred that they could not have paid the hefty price of PHP 1,400,000.00 for the property if they had known about Spouses Cesa's claim over Lot No. 1799.

¹⁷ *Id.*

¹⁸ RTC records, 349. *See* Deed of Absolute Sale dated June 17, 2002.

¹⁹ *Id.* at 26.

²⁰ CA rollo, p. 49. Appellants' Brief of the Spouses Del Rosario.

²¹ *Id.* at 50.



Further, Raymundo denied that he acquired constructive knowledge of Spouses Cesa's alleged occupation of Lot No. 1799 when he issued the Mayor's Permit for the Tanza Regal Farms during his term as the Mayor of Tanza, Cavite. According to him, a Mayor's Permit is not considered as proof of ownership of real estate as it is issued only for the purpose of operating a business.

Version of David Montano Brucelas, Jr. (David Jr.)

David Jr. testified on behalf of his parents, Elisa and David; and Spouses Brucelas, who passed away on October 4, 2011, and November 3, 2013, respectively. David Jr. stated that Elisa, with authority from Consuelo, sold to Spouses Del Rosario a parcel of land in 2002 because his aunt Consuelo needed a substantial amount of money for her weekly dialysis and kidney operation. David Jr. further narrated that his parents told him that Spouses Cesa purchased Lot No. 1961, not Lot No. 1799, although Spouses Cesa showed interest in purchasing the subject land as well. David Jr. testified that his parents told him that Spouses Cesa could not raise money to purchase Lot No. 1799 as Spouses Cesa were still paying for Lot No. 1961.

The Ruling of the RTC

In the Decision²² dated July 13, 2015, the RTC ruled in favor of Spouses Cesa and declared as null and void the subsequent sale of the subject land to Spouses Del Rosario, the latter being buyers in bad faith, viz.:

From all the foregoing[,] the Court would like to give credit on the plaintiff's case and believe the allegations the plaintiffs presented in Court. They have been in possession of the property for a longer period of time but have not registered the property in their name, the Court is aware. The plaintiffs have been likewise paying the real property taxes and they have evidence to prove their allegations, however the defendant Brucelas have to sell their properties so they sold it even if the same have already been in possession of the plaintiffs and the Court could just surmise their dire need at that time and as testified to by the defendant thru their sole witness David Brucelas Jr. that his aunt Consuelo needed a substantial amount of money for her weekly dialysis and kidney operation so his mother Elisa decided to

²² Rollo, pp. 518-525. Penned by Executive Judge Aurelio G. Icasiano, Jr.



sell one of her properties to Mr. del Rosario in 2002; that this is the reason they have to sell the property for the second time-to the defendant Del Rosarios and knowing that the same property has not been properly registered with the government office, the defendants del Rosarios registered the same with the Register of Deeds of Cavite and hence was immediately acted upon and registered. It was so impossible for the defendants not to have known that the plaintiffs have been in possession of the property as plaintiffs and the defendant del Rosarios have been friends. In fact, defendant Raymundo A. Del Rosario testified that plaintiffs are his town mates and former, friends. It is impossible for town mates not to know each other nor be familiar with one another. If indeed the defendant del Rosarios have been exercising good faith prior his purchase of the property, he should have exercise due precaution prior registration of the property[,] subject of the case. In the instant case, the Spouses Del Rosario cannot claim that they are innocent purchasers for value. They should have inspected the land before the same was sold to them. They should have notice[d] that somebody is occupying the place in the concept of an owner; thus, they were in bad faith.²³

The dispositive portion of the RTC's Decision reads:

WHEREFORE, premises considered, it is hereby declared that the sale of the subject land by defendant Spouses Brucelas in favor of the defendant Spouses del Rosario is null and void.

The Registry of Deeds of the Province of Cavite is hereby ordered to cancel the title registered under the name[s] of defendant[s] spouses Raymundo del Rosario and Nelia V. del Rosario, specifically Transfer of [sic] Certificate of Title No. 1019104 issue[d] by the Register of Deeds of the Province of Cavite last September 9, 2002.

It [is] also hereby declared that the Deed of Absolute Sale executed by defendant[s] Spouses Brucelas dated June 17, 2002 in favor of defendant[s] Spouses del Rosario be declared null and void.

Defendant[s] Spouses Brucelas and defendant[s] Spouses del Rosario are hereby ordered to pay the plaintiffs the amount of two hundred thousand pesos (PHP 200,000.00) by way of attorney's fees; fifty thousand pesos (PHP 50,000.00) as exemplary damages; and fifty thousand pesos (PHP 50,000.00) as moral damages.

SO ORDERED.²⁴

²³ *Id.* at 522-523.

²⁴ *Id.* at 525.

Aggrieved, Spouses Del Rosario appealed to the CA.²⁵

The Ruling of the CA

In the Decision²⁶ dated October 10, 2019, the CA reversed the ruling of the RTC and held that the unnotarized 1985 DOAS cannot be considered as proof of a perfected contract of sale between Spouses Cesa and Consolacion, Elisa, and Consuelo. The CA observed that Andres was already deceased at the time of the alleged sale, and the signature affixed above his name in the 1985 DOAS was the signature of Apolonia. The Deed having been signed by Apolonia who had no authority to represent Andres, the CA declared their contract as unenforceable.²⁷

Anent the notarized 1986 DOAS, which Elisa allegedly delivered to Spouses Cesa to cure the infirmities suffered by the 1985 DOAS, the CA noted that the 1986 DOAS was marked as "Exhibit T" in Spouses Cesa's Formal Offer of Evidence before the RTC. The CA observed that while the 1986 DOAS was presented before the RTC, subjected to cross examination, and formally offered as evidence, no copy thereof was included in Spouses Cesa's Folder of Exhibits submitted to the trial court. In this regard, the CA noted the comment of David, Jr. to the Formal Offer of Evidence (FOE) of Spouses Cesa, wherein he pointed out that there was no document marked as "Exhibit T" in the evidence offered.²⁸

Likewise, the CA did not consider the following evidence adduced by Spouses Cesa to support their claim that they had occupied the subject land in the concept of an owner for more than 20 years: (1) proof of real property tax payments under the name of Feliciano; (2) cash vouchers showing payments made to Spouses Brucelas for the year 1985; and (3) the photographs showing the structures and improvements that they introduced to the subject land. The CA ratiocinated:

[H]ere, despite claiming that they have been in possession of Lot No. 1799 for more than 20 years, the Spouses Cesa only presented official receipts showing payment of real property taxes for the years 1989 and 1996. The same militates against their claims, as they should have been able to present proof of payment of the real property taxes for every

²⁵ RTC records, p. 372. See Notice of Appeal dated July 27, 2015.

²⁶ *Id.* at 8–28.

²⁷ *Id.* at 18–19.

²⁸ *Id.* at 19–20.

year that they had allegedly been in possession of the subject lot, or for 20 years. Two out of 20 falls far below the quantum of preponderant evidence.

Moreover, a review of the cash vouchers shows that the same are silent as to the particular property that was being paid for, or the subject of the payments. The cash vouchers only pertain to payments made for "fixed assets" charged as "P.R.C.," or for "partial payment for land of Elisa Brucelas." Although some vouchers contained either the signatures of Elisa or David, the same do not establish that such payments were made for the purchase of Lot No. 1799, considering that the Spouses Cesa were also acknowledged to have made partial payments for the purchase of Lot No. 1961, which was also owned by Elisa[.]

....

As for the photographs showing the structures and improvements introduced by the Spouses Cesa on the properties, while the same are indicative of their possession of the property, this cannot by itself be a means of acquiring ownership of Lot No. 1799. It is elementary that the ownership of a piece of land, which is covered by a Torrens title, cannot be acquired by occupation.²⁹

According to the CA, no double sale took place in the case. There being only one sale of the subject land that transpired, i.e., from Spouses Brucelas and Consuelo to Spouses Del Rosario. It was immaterial whether Spouses Del Rosario were in good faith in purchasing Lot No. 1799; thus, Spouses Del Rosario are the rightful owners of the subject property.³⁰

Moreover, the CA held that even assuming that the 1985 DOAS was valid, Spouses Cesa were not the real parties-in-interest to file the Complaint for the Annulment/Rescission of Contract between Spouses Brucelas and Spouses Del Rosario as the vendee of the subject land indicated in the 1985 DOAS was Postema, one of Spouses Cesa's businesses; thus, having a separate personality of its own, the CA ruled that the instant suit should have been brought under the name of Postema, and not under the names of Spouses Cesa. Absent any authority granted by Postema to Spouses Cesa, the CA declared that the RTC should have dismissed outright the Complaint for Spouses Cesa's lack of legal capacity to sue.³¹

²⁹ *Rollo*, pp. 20-21.

³⁰ *Id.* at 21.

³¹ *Id.* at 23-25.



Aggrieved, Spouses Cesa moved for a reconsideration,³² but the CA denied their Motion in its Resolution³³ dated February 1, 2021.

Hence, the present Petition for Review on *Certiorari*.³⁴

Proceedings Before the Court

In the Resolution³⁵ dated July 28, 2021, the Court dismissed Spouses Cesa's Petition for Review on *Certiorari* for its late filing and on the following grounds: (1) failure to state the material date when Spouses Cesa received the notice of the assailed CA Decision in violation of Rule 45, Section 4(b) of the Rules of Court; and (2) lack of a proper verification pursuant to Rule 45, Section 1 of the Rules and a valid certification of non-forum shopping in accordance with Rule 7, Section 5 of the Rules, there being no properly-accomplished jurat showing that the affiant exhibited a competent evidence of identity before the notary public as required under Rule II, Sections 6 and 12 of the 2004 Rules on Notarial Practice, as amended.

Spouses Cesa moved for reconsideration.³⁶

In the higher interest of substantial justice, the Court relaxed the procedural rules and granted their Motion for Reconsideration in the Resolution dated July 26, 2023, as the cause of the delay in filing their Rule 45 Petition was the incertitude brought about by the physical closure and different work arrangements adopted by the Court in the year 2021 due to the unabated rise of COVID-19 cases.³⁷

In any case, to show that they timely filed before the Court their Motion for Extension of Time to file a Rule 45 Petition, Spouses Cesa stated in the Petition that they received the CA Resolution which denied their Motion for Reconsideration on February 11, 2021, and filed the

³² CA rollo, pp. 194–199. See Motion for Reconsideration (of the Decision dated 10 October 2019) dated October 25, 2019.

³³ Rollo, pp. 30–35.

³⁴ Id. at 39–56.

³⁵ Id. at 88–89.

³⁶ Id. at 112–137. See Motion for Reconsideration dated September 7, 2021.

³⁷ Id. at 533–587. See Resolution dated July 26, 2023.

Motion for Extension within the 15-day reglementary period on February 26, 2021.³⁸

Anent the Petition's lack of proper verification and certification of non-forum shopping for Feliciano's failure to exhibit competent evidence of her identity before the notary public, the Court, in the Resolution dated August 17, 2022, noted the Compliance and Notice dated November 10, 2021, filed by the heirs of Spouses Cesa (collectively, petitioners), which informed the Court of Feliciano's death on September 6, 2021. At any rate, the Court ratiocinated: "*that the petition lacked a proper verification and certification of non-forum shopping as Feliciano failed to exhibit competent evidence of her identity before the notary public does not necessarily render the petition fatally defective.*"³⁹

The Issues

The issues to be resolved in the case are: (1) whether the CA committed a reversible error in holding that the 1985 DOAS cannot be considered as proof of a perfected contract of sale between Spouses Cesa, on one hand, and Consolacion, Elisa, and Consuelo, on the other; and (2) whether the CA erred in concluding that no double sale took place in the case; that as only one sale of Lot No. 1799 transpired, i.e., from Consuelo and Spouses Brucelas to Spouses Del Rosario, it was immaterial whether the latter was in good faith in purchasing the subject property.

The Ruling of the Court

As a rule, petitions for review on *certiorari* should only cover questions of law as the Court is not a trier of facts. Here, the questions of whether a perfected contract of sale transpired between Spouses Cesa, on one hand, and Consolacion, Elisa, and Consuelo, on the other; and whether there was a double sale of Lot No. 1799, are questions of fact that are not proper subjects of a Rule 45 petition. Nonetheless, when the factual findings of the CA and the RTC are contradictory or when the findings of the CA were premised on the absence of evidence, but such findings are contradicted by the evidence on record, such as at bar, the Court may

³⁸ *Id.* at 40, 536.

³⁹ *Id.* at 536-537.



reevaluate the sufficiency of the evidence adduced before the lower tribunals.⁴⁰

In holding that “[t]he Spouses Cesa failed to prove that Lot No. 1799 was sold to them” by Consolacion, Elisa, and Consuelo, the CA considered the 1985 DOAS as an unenforceable contract under Article 1403(1) of the New Civil Code as it was signed by Apolonia on behalf of her late brother Andres without authority. Article 1403 (1) states:

ARTICLE 1403. The following contracts are unenforceable, unless they are ratified:

(1) Those entered into in the name of another person by one who has been given no authority or legal representation, or who has acted beyond his powers[.]

The CA ratiocinated:

[T]he Court finds that there was no double sale of Lot No. 1799. The unnotarized Deed of Absolute Sale cannot be considered as proof of a perfected contract of sale between the Spouses Cesa, and the Spouses Brucelas and Consuelo. Andres never signed it. As admitted by Feliciano, the signature appearing on top of Andres’ name was that of Apolonia Montano (Apolonia), the sister of Andres. Moreover, Postema is the named vendee.

At the time of the execution of the unnotarized Deed of Absolute Sale in 1984-1985, Andres had already passed away. The death of Andres sometime in 1968 was known to the Spouses Cesa, in view of their recognition of the resulting Extrajudicial Partition dated 10 September 1969, as averred in paragraph 6 of their Complaint. Given this circumstance, even assuming that Andres authorized Apolonia to sell Lot No. 1799 on his behalf, any such authority would have been extinguished through his death, pursuant to Article 1919 of the Civil Code.

Neither was there evidence submitted to the effect that Apolonia’s agency falls among the exceptions to the general rule that agency is extinguished by the death of the principal, i.e. that the agency between Apolonia and Andres was one coupled with interest, as

⁴⁰ See *Pagtakhan v. People*, G.R. No. 257702, February 7, 2024, citing *Fuentes v. Court of Appeals*, 335 Phil. 1163, 1168 (1997).

provided for under Article 1930 of the Civil Code, or that Apolonia was not aware that Andres had already passed away when she signed the unnotarized Deed of Absolute Sale, as provided for under Article 1931 of the same Code.

As such, the unnotarized Deed of Absolute Sale is unenforceable under Article 1403 (1) of the Civil Code, as it was entered into by one who had no authority to enter into the same.⁴¹

The signature of Apolonia in the 1985 DOAS was a mere surplusage, and thus, had no effect whatsoever and did not render the contract unenforceable

Article 774 of the New Civil Code enunciates that “[s]uccession is a mode of acquisition by virtue of which the property, rights and obligations to the extent of the value of the inheritance, of a person are transmitted through his death to another or others either by his will or by operation of law.” On the other hand, Article 777 of the New Civil Code states that “[t]he rights to the succession are transmitted from the moment of the death of the decedent.”

Records show that Andres died intestate in 1968. In 1969, his heirs: Consolacion, Elisa, and Consuelo, extrajudicially settled his estate. After the death of Andres, Consolacion, Elisa, and Consuelo, acquired ownership over Lot No. 1799 through succession pursuant to Articles 774 and 777 of the New Civil Code. Resultantly, although the subject land was yet to be registered in the names of Consolacion, Elisa, and Consuelo, they already acquired ownership over Lot No. 1799. Thus, *via* the 1985 DOAS, they had legally sold their respective shares in the subject property to Spouses Cesa. Consequently, the signature of Andres in the sale was no longer needed. The fact that Apolonia Montana signed the 1985 DOAS on behalf of Andres was immaterial as her signature therein for Andres was a mere surplusage. Thus, contrary to the ratiocination of the CA that the subject Contract was unenforceable as Apolonia signed the 1985 DOAS without authority from Andres, the signature of Apolonia had no effect whatsoever and did not render the Contract unenforceable under Article 1403(1) of the New Civil Code.

⁴¹ *Rollo*, pp. 68-69.



*There was a valid contract of sale
of Lot No. 1799 to Spouses Cesa*

Generally, contracts are valid and binding from their perfection irrespective of form, whether they be oral or written. So long as the elements of contracts exist, *i.e.*, consent, object, and cause, it is generally valid and obligatory to the parties. This is plain under Article 1315 of the New Civil Code, viz.:

ARTICLE 1315. Contracts are perfected by mere consent, and from that moment the parties are bound not only to the fulfillment of what has been expressly stipulated but also to all the consequences which, according to their nature, may be in keeping with good faith, usage and law.

In the case of *Estate of Bueno v. Estate of Atty. Peralta*,⁴² the Court considered the actions and inactions of the parties therein as indicative of a perfected sale transaction between the parties, viz.:

From the time of the purported sale in 1978, respondent peacefully possessed the property and had in her custody OCT No. F-16558. Further, she had been the one paying the real property taxes and not Alido. Possession of the property, making improvements therein and paying its real property taxes may serve as indicators that an oral sale of a piece of land had been performed or executed.

In addition, while tax declarations are not conclusive proof of ownership, they may serve as *indicia* that the person paying the realty taxes possesses the property in concept of an owner. In *Heirs of Simplicia Santiago v. Heirs of Mariano E. Santiago* the Court, thus, explained:

In the instant case, it was established that Lot 2344 is a private property of the Santiago clan since time immemorial, and that they have declared the same for taxation. Although tax declarations or realty tax payment of property are not conclusive evidence of ownership, nevertheless, they are good *indicia* of 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 constructive possession. They constitute at least proof that the holder has a claim of title over the property. The

⁴² 883 Phil. 55 (2020).

voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's bona fide claim of acquisition of ownership.

From 1978 until her death, Alido never questioned respondent's continued possession of the property, as well as of OCT No. F-16558. Neither did she stop respondent from paying realty taxes under the latter's name. Alido allowed respondent to exercise all the rights and responsibilities of an owner over the subject parcel of land. Even after her death, neither her heirs disturbed respondent's possession of the property nor started paying for the real property taxes on the said lot. Further, it is noteworthy that petitioners do not assail that respondent had acquired the property fraudulently or illegally as they merely rely on the fact that there was no deed of sale to support the said transaction. However, as manifested by the actions or inactions of Alido and respondent, it can be reasonably concluded that Alido had sold the property to respondent and that the said transaction had been consummated.⁴³

Like in the case of the *Estate of Bueno*, Consolacion, Elisa, and Consuelo, allowed Spouses Cesa to take possession of Lot No. 1799 in the concept of an owner since 1985. Thereafter, Spouses Cesa paid the real property taxes over the subject property until the Treasurer's Office of Tanza, Cavite, informed them in 1996 that it would no longer accept payments of real property taxes from them. Also, Consolacion, Elisa, and Consuelo, did not question the perimeter fence and the structures built by Spouses Cesa over the subject land for their livestock farm business, the Tanza Regal Farms. As shown by the actions or inactions of Consolacion, Elisa, and Consuelo and of Spouses Cesa, it can be reasonably inferred that a perfected contract of sale transpired between them. At this point, the Court quotes with approval the findings of the RTC which gave weight and credence to the allegations of Spouses Cesa:

[T]he [Spouses Cesa] alleged in their Complaint that sometime in 1984 and 1985, they bought a parcel of land located in Sahud-Ulan, Tanza, Cavite (Lot No. 1799) and covered by Transfer Certificate of Title No. T-8107 issued by the Registry of Deeds Province of Cavite from the defendants Spouses Brucelas; that [the Spouses Cesa] made the necessary payments as evidenced by the Cash Vouchers duly received by defendant Spouses Brucelas (Exhibit "Q Series"); that they

⁴³ *Id.* at 72-73.



immediately took uninterrupted, actual, open, public and peaceful possession in the concept of an owner of the above described property (lot 1799 at issue up) to the present for more than twenty (20) years now; that they built a farm over the said parcel of land complete with perimeter fence, buildings, livestock structures and livestock as shown by the various photographs (Exhibit "J Series"); that they had paid the corresponding real property tax of the said property as evidenced by the receipts issued by the Municipal Assessor's Office (Exhibit "K Series") for more than ten (10) years until when the latter refused to receive payments from them; that they also applied the corresponding Mayor's Permit for their livestock business located over the subject parcel of land; that the Mayor's Permit was issued by then Tanza Mayor Hermogenes F. Arayata, Jr. known to then Vice-Mayor defendant Raymundo A. [D]el Rosario and when defendant Raymundo [D]el Rosario became the Mayor of Tanza, Cavite, he also renewed and issued his [M]ayor's Permit dated 1999 in favor of the [Spouses Cesa] doing a business under the name of Tanza Regal Farm.

From all the foregoing the Court would like to give credit on the [Spouses Cesa's] case and believe the allegations the [Spouses Cesa] presented in Court. They have been in possession of the property for a longer period of time but have not registered the property in their name, the Court is aware. The [Spouses Cesa] have been likewise paying the real property taxes and they have evidence to prove their allegations, however the defendant Brucelas have to sell their properties so they sold it even if the same have already been in possession of the plaintiffs and the Court could just surmise their dire need at that time and as testified to by the defendant thru their sole witness David Brucelas Jr. that his aunt Consuelo needed a substantial amount of money for her weekly dialysis and kidney operation so his mother Elisa decided to sell one of her properties to Mr. del Rosario in 2002; that this is the reason they have to sell the property for the second time-to the defendant Del Rosarios and knowing that the same property has not been properly registered with the government office, the defendants del Rosarios registered the same with the Register of Deeds of Cavite and hence was immediately acted upon and registered[.]⁴⁴

While David Jr. testified that his late parents told him that Spouses Cesa actually purchased a different property, i.e., Lot No. 1961, this testimony is hearsay, as defined under Section 37 of A.M. No. 19-08-15-SC,⁴⁵ or the "2019 Proposed Amendments to the Revised Rules on Evidence" (Amendments to the Rules on Evidence), viz.:

⁴⁴ *Rollo*, pp. 521-522.

⁴⁵ Approved on October 8, 2019 and took effect on May 1, 2020.



SECTION 37. *Hearsay*. — Hearsay is a statement other than one made by the declarant while testifying at a trial or hearing, offered to prove the truth of the facts asserted therein. A statement is (1) an oral or written assertion or (2) a non-verbal conduct of a person, if it is intended by him or her as an assertion. Hearsay evidence is inadmissible except as otherwise provided in these Rules.

A statement is not hearsay if the declarant testifies at the trial or hearing and is subject to cross-examination concerning the statement, and the statement is (a) inconsistent with the declarant's testimony, and was given under oath subject to the penalty of perjury at a trial hearing, or other proceeding, or in a deposition; (b) consistent with the declarant's testimony and is offered to rebut an express or implied charge against the declarant of recent fabrication or improper influence or motive; or (c) one of identification of a person made after perceiving him or her.


In *Medina v. People*,⁴⁶ the Court explained why “*a witness can testify only on the facts that he/she knows of his/her personal knowledge, i.e., those which are derived from his own perception,*” viz.:

It is settled that a witness can testify only on the facts that he or she knows of his or her own personal knowledge, *i.e.*, those which are derived from his or her own perception. **A witness may not testify on what he or she merely learned, read or heard from others because such testimony is considered hearsay and may not be received as proof of the truth of what he or she has learned, read or heard.** Hence, **as a general rule, hearsay evidence is inadmissible in courts of law.** This is because of serious concerns on their trustworthiness and reliability; such evidence, by their nature, are not given under oath or solemn affirmation and likewise have not undergone the benefit of cross-examination to test the reliability of the out-of-court declarant on which the relative weight of the out-of-court statement depends.⁴⁷ (Emphasis supplied; citations omitted)

On this score, the Court takes note of David Jr.'s testimony given on the witness stand on March 4, 2015, that he has no personal knowledge of the nature of the transaction between Spouses Brucelas, his parents, and Spouses Cesa, viz.:

⁴⁶ *Medina v. People*, G.R. No. 255632, July 25, 2023, citing *Republic v. Ciruelas*, 897 Phil. 409, 419 (2021); *Country Bankers Insurance Corporation v. Lianga Bay and Community Multi-Purpose Cooperative, Inc.*, 425 Phil. 511, 520 (2002).

⁴⁷ *Medina v. People*, *id.*



Q. Mr. Witness, am I correct to say that you have no personal knowledge as to the nature of that transaction of your parents with the plaintiffs?

....

Q. The sale of the subject land by your parents to the plaintiffs?

A. Yes, sir.

Q. Are you sure of that that you have no personal knowledge as to the sale of the subject land by your parents to the plaintiffs?

A. Yes, sir.⁴⁸

In any case, other than his bare allegations, David Jr. presented no other proof that Spouses Cesa instead bought Lot No. 1961 from Consolacion, Elisa, and Consuelo. This is opposed to the pieces of evidence presented by Spouses Cesa to prove that they bought Lot No. 1799 and immediately took possession of it, e.g. the 1985 DOAS, 1986 DOAS, cash vouchers, real property tax receipts, and pictures of the structures built on the subject land. There being no evidence to support his allegations, the Court accords no probative value to David Jr.'s testimony.

*The 1986 notarized DOAS reformed
and superseded the 1985 unnotarized
DOAS*

That the seller who signed the 1985 DOAS was only Consolacion, and that the vendee stated in the Deed was not Spouses Cesa but their business Postema, did not affect the validity of the sale of Lot No. 1799 to Spouses Cesa. To reflect their true agreement, i.e., that Consolacion, Elisa, and Consuelo, sold Lot No. 1799 to Spouses Cesa, the latter requested Consolacion, Elisa, and Consuelo, to execute another deed of sale that is correct in form and substance pursuant to Articles 1357 and 1359 of the New Civil Code, viz.:

ARTICLE 1357. If the law requires a document or other special form, as in the acts and contracts enumerated in the following article, the contracting parties may compel each other to observe that form, *once the contract has been perfected*. This right may be exercised simultaneously with the action upon the contract. (Emphasis supplied)

⁴⁸ TSN, David Brucelas, Jr., March 4, 2015, p. 12.



ARTICLE 1359. *When, there having been a meeting of the minds of the parties to a contract*, their true intention is not expressed in the instrument purporting to embody the agreement, by reason of mistake, fraud, inequitable conduct or accident, one of the parties may ask for the reformation of the instrument to the end that such true intention may be expressed. (Emphasis supplied)

As could be gleaned from the foregoing, the common pre-requisite to avail oneself of the remedies under Articles 1357 and 1359 of the New Civil Code is that there must have already been a meeting of the minds or a perfected contract between the parties.

As earlier discussed, the actions and inactions of Consolacion, Elisa, and Consuelo, and of Spouses Cesa, are indicative of a consummated sale transaction between them. There being a perfected contract of sale in the case, the request of Spouses Cesa that Consolacion, Elisa, and Consuelo, execute a notarized Deed of Sale reflecting Spouses Cesa as the real buyers of Lot No. 1799 is sanctioned by Articles 1357 and 1359 of the New Civil Code.

Spouses Cesa were the real parties-in-interest and had the legal capacity to sue

The CA held that as the buyer indicated in the 1985 DOAS was Postema, the suit should have been brought in the name of Postema, not in the names of Spouses Cesa. According to the CA, absent any authority granted by Postema to Spouses Cesa, the RTC erred in not dismissing outright Spouses Cesa's Complaint for their lack of legal capacity to sue.

The Court disagrees. It must be emphasized that the subsequent notarized 1986 DOAS executed by Elisa, with authority from Consolacion and Consuelo, reformed the 1985 DOAS to reflect the true intention of the parties, i.e., that the actual buyers of Lot No. 1799 were Spouses Cesa, not Postema. The true vendees of Lot No. 1799 being Spouses Cesa, the CA erred in holding that they lack the legal capacity to file the Complaint to annul Spouses Brucelas' sale of Lot No. 1799 to Spouses Del Rosario.



However, as the physical copy of the 1986 DOAS could not be found anywhere in the records of the case, the CA held that petitioners failed to prove the actual fact of sale of Lot No. 1799 to Spouses Cesa. The CA declared: “[t]here being no showing that a copy of the document purported to be Exhibit “T” was incorporated in the records, the Court is constrained to render its ruling only on the basis of documents that have actually been elevated to the Court by the RTC.”

In this regard, the Court finds that the CA erred in not taking the 1986 DOAS into consideration simply because the original thereof cannot be found on the records of the case. The supposed absence of the copy of the 1986 DOAS in the records of the case does not automatically mean that the Court can no longer consider it in the resolution of the case, especially in light of the peculiar circumstances present. For instance, as will be shown below, the Court directed that the original of the 1986 DOAS be forwarded to the National Bureau of Investigation (NBI) to determine the veracity of the signature of Elisa Brucelas:

COURT:

This alleged deed of sale was executed January 4, 1986, at that time Elisa Brucelas was still alive?

WITNESS:

A She was still alive, your Honor.

....

COURT:

You are contesting this deed of sale.

Atty. Joya, you are the counsel, allegedly executed by Apolonio Montano, we have here the signature of the attorney-in-fact Elisa Brucelas, why don't you submit this for forensic examination by the NBI?

ATTY. JOYA:

Yes, your Honor, if the counsel would stipulate.

COURT:

I will order the submission of this to the NBI to determine the veracity of the signature.

ATTY. JOYA

Yes, your Honor.⁴⁹

⁴⁹ TSN, Feliciano Cesa, March 4, 2014, pp. 6–10.



Accordingly, as reflected in the Minutes⁵⁰ of the April 8, 2014 hearing, Spouses Cesa, through their counsel, already complied with the Order of the RTC and submitted the original of the 1986 DOAS to the NBI for forensic examination. Thus, the fact that the original copy of the 1986 DOAS is not found on the records of the case should not be taken against Spouses Cesa, especially in that it is clear that it is the RTC itself which directed that the document be forwarded to the NBI for forensic examination.

More, in its subsequent Order⁵¹ dated September 4, 2014, the RTC acted on the Formal Offer of Evidence of Spouses Cesa and admitted in evidence the documents offered thereon, which necessarily included the 1986 DOAS marked as Exhibit "T", viz.:

Acting on the Formal Offer of Evidence filed by the Plaintiffs through counsel with Comment thereto, the same is hereby ordered ADMITTED and the plaintiffs rested their case.

....

GIVEN IN OPEN COURT this 4th day of September 2014 at Trece Martires City.⁵²

On this score, it is also worth to note that even the rules on formal offer of evidence may be relaxed in some instances. Relevant in this wise is the ruling of the Court in the case of *Platinum Group Metals Corp. v. Mercantile Insurance Co., Inc.*:⁵³

As a rule, evidence not formally offered during the trial cannot be used for or against a party litigant. Even the failure to make a formal offer within a considerable period shall be deemed a waiver to submit it. Otherwise, it will deny the other parties their right to rebut the evidence not formally offered.

Corollary thereto, the purpose for which evidence is offered must likewise be specified. A formal offer is necessary because judges are mandated to rest their findings of facts and their judgment only upon the evidence offered by the parties during the trial. It enables the trial judge to know the purpose for which the party is presenting the

⁵⁰ RTC records, p. 238.

⁵¹ *Id.* at 317.

⁵² *Id.*

⁵³ G.R. No. 253716, July 10, 2023.

evidence; on the other hand, it also allows opposing parties to examine the evidence and object to its admissibility.

Nonetheless, citing the case of *Peñoso v. Dona*, the Court reminds us in *Spouses Bautista v. Del Valle* that litigation is not a game of technicalities, and the discretion to apply procedural rules strictly or liberally must be exercised in accordance with the tenets of justice and fair play, taking into consideration the circumstances of each case. Thus, even evidence not formally offered may still be admitted in evidence as long as (a) the evidence was duly identified by testimony duly recorded; and (b) the evidence was incorporated in the records of the case. The Court had, in several instances, relaxed the rule on formal offer of evidence with the presence of the aforesaid two requirements.⁵⁴

Here, during the course of the trial, Feliciana identified the 1986 DOAS during her cross examination, viz.:

COURT:

Ready?

ATTY. SICCUAN:

We are ready to cross-examine the plaintiff, your Honor.

PLAINTIFF FELICIANA CESA WILL CONTINUE
TESTIFYING UNDER [HER] SAME OATH AND
PERSONAL CIRCUMSTANCES ON PARTIAL CROSS-
EXAMINATION BY ATTY. SICCUAN

....

ATTY. SICCUAN:

Q Mrs. Cesa, during the last hearing you were required by this Honorable Court to produce the alleged notarized deed of sale mentioned in your Judicial Affidavit marked as Exh, "I",⁵⁵ do you have that with you NOW?

A Yes, sir.

ATTY. SICCUAN:

May I know from my good compañero if this document was marked during the presentation of the Judicial Affidavit?

ATTY. JOYA

Yes, your Honor.

⁵⁴ *Id.*

⁵⁵ TSN, Feliciana Cesa, June 25, 2013, pp. 2–3. The 1986 DOAS was marked as Exhibit "I".

ATTY. SICCUAN:

Q Now, I'm referring you to the Deed of Sale which was marked as Exh. "I" were you present when this deed of sale was executed?

A Brucelas brought me that deed of sale and she was the one who delivered that deed of sale to me, sir.

....

Q Now, the subject of this deed of absolute sale is a parcel of land described as Lot No. 1699 (sic), correct?

A Yes, sir, that is right.

Q Which is located in the municipality of Tanza, Cavite, containing an area of 46,639 square meters?

A Yes, sir, that's true.

....

Q Now, the land subject of this deed of absolute sale is mentioned as Lot 1799, do you have the original transfer certificate of this particular lot?

A She does not want to give it to me the original that's why I'm trying to produce the title, sir.

Q When you said she does not want to give it to you, to whom are you referring?

A Elisa Brucelas, sir[.]⁵⁶

....

ATTY. SICCUAN:

....

Q Now, according to you also in your Judicial Affidavit after going over voluminous records that you have, you discovered that you have a notarized Deed of Sale executed by Elisa Brucelas, would you affirm that statement?

A Yes, sir.

Q And you are referring to a Deed of Sale previously marked as Exhibit "I" allegedly by one Elisa Brucelas?

A Yes, sir.

ATTY. SICCUAN:

Q I am referring to the original which was presented a while ago, is this the one you are referring to?

⁵⁶ *Id.* at 2-4.

WITNESS:

A Yes, sir.

Q Now, in this Deed of Absolute Sale dated January 4, 1986 and signed or executed by allegedly attorney-in-fact, Vendor-Elisa J. Montano Brucelas. It is stated that Elisa Montano Brucelas was authorized by Apolonio [sic] Montano, Consolacion Montano, Consuelo, Montano, Elisa J. Montano Brucelas—married to David Brucelas as the attorney-in-fact of these persons?

ATTY. JOYA:

The best evidence is the document, Your Honor.

COURT:

Let the witness answer.

WITNESS:

A Yes, sir.

ATTY. SICCUAN:

Q Now, it is also stated in this Deed of Absolute Sale that the power of attorney, Special Power of Atty. were given by these persons to Elisa J. Montano Brucelas so that she could sell her property.

WITNESS:

A Yes, sir.

Q And according to you also, this Special Power of Attorney was dated also on January 4, 1986 as appearing in this Special Power of Attorney?

....

WITNESS:

A If it is specified there, sir, referring to the document, that's the right document, sir.

....

Q Please go over this Mr. [sic] Witness for purposes of clarity. The Deed of Absolute Sale is dated January 4, 1986, right, notarized by Notary Public Roberto F. Colmenar?

A Yes, sir.

....

ATTY. SICCUAN:

Q In this Deed of Absolute Sale, it appears that this property was sold to you by Apolonio [sic] Montano, Consuelo Montano[,]

and Consolacion Montano, there is an attorney-in-fact Elisa M. Brucelas, am I correct?

WITNESS:

A Yes, sir.

Q Now, when this Deed of Absolute Sale was executed, this [sic] appear personally together with Elisa Brucelas before Notary Public Roberto F. Colmenar on January 4, 1986?

A The Deed of Sale was brought to me, sir.

Q By whom?

A By Elisa Brucelas, sir.⁵⁷

Taking into consideration all the evidence offered by Spouses Cesa,⁵⁸ which included the 1986 DOAS, the RTC ruled that Lot No. 1799 was first sold to them; thus, the subsequent sale of the subject land to Spouses Del Rosario was invalid as the latter were buyers in bad faith. In reversing the RTC, however, the CA disregarded the 1986 DOAS on the ground that it was not found in the records of the case.

The CA erred in excluding the 1986 DOAS as part of petitioners' evidence

At this point, it is undisputed that: (1) Feliciana previously presented the 1986 DOAS before the RTC and identified it; (2) the opposing counsel had inspected the document and was able to cross-examine Feliciana about the 1986 DOAS; and (3) Feliciana submitted the original document to the RTC for forensic examination. Given the circumstances, to *exclude* such crucial document in the resolution of the case would not serve the ends of justice. That the original of the 1986 DOAS cannot be found on the records of the case is clearly not within the control of Spouses Cesa. The RTC is well-aware of this fact, and this is precisely why it still took into consideration the 1986 DOAS in resolving the case before it.

⁵⁷ TSN, Feliciana Cesa, November 26, 2013, pp. 13–17.

⁵⁸ RTC records, p. 363. See RTC Decision wherein it was held that “Plaintiffs presented the testimony of Feliciana J. Cesa and with their documents (Exhibits “A to U”) presented rested their case.”

There is double sale in the case and Spouses Del Rosario were purchasers in bad faith of Lot No. 1799

Article 1544 of the Civil Code states:

ARTICLE 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith.

For Article 1544 to apply, the following requisites must concur:

(a) The two (or more) sales transactions in the issue must pertain to exactly the same subject matter, and *must be valid sales transactions*.

(b) The two (or more) *buyers at odds over the rightful ownership* of the subject matter must each represent conflicting interests; and

(c) The two (or more) buyers at odds over the rightful ownership of the subject matter *must each have bought from the very same seller*.⁵⁹ (Emphasis in the original)

Contrary to the finding of the CA, there was a double sale in the case. Elisa, with authority from the other co-owners of Lot No. 1799, sold it, first, to Spouses Cesa in 1985; and second, to Spouses Del Rosario in 2002.

⁵⁹ *Cheng v. Genato*, 360 Phil. 891, 909 (1998).

Indubitably, there are conflicting interests in the ownership of Lot No. 1799, because if the ownership over the property was already transferred to Spouses Cesa, then no title over the subject land could have passed on to Spouses Del Rosario in the second sale.

While Spouses Del Rosario were the first ones to register Lot No. 1799 in their names under TCT No. T-1019104, the RTC aptly found that they were not in good faith when they registered the property.

Generally, persons dealing with registered land may safely rely on the correctness of the certificate of title, without having to go beyond it to determine the property's condition. However, when circumstances are present that should prompt a potential buyer to be on guard, it is expected that they inquire first into the status of the land. One such circumstance is when there are occupants or tenants on the property, or when the seller is not in possession of it. In *Spouses Vallido v. Spouses Pono*:⁶⁰

Moreover, although it is a recognized principle that a person dealing on a registered land need not go beyond its certificate of title, it is also a firmly settled rule that where there are circumstances which would put a party on guard and prompt him to investigate or inspect the property being sold to him, such as the presence of occupants/tenants thereon, it is expected from the purchaser of a valued piece of land to inquire first into the status or nature of possession of the occupants. As in the common practice in the real estate industry, an ocular inspection of the premises involved is a safeguard that a cautious and prudent purchaser usually takes. Should he find out that the land he intends to buy is occupied by anybody else other than the seller who, as in this case, is not in actual possession, it would then be incumbent upon the purchaser to verify the extent of the occupant's possessory rights. The failure of a prospective buyer to take such precautionary steps would mean negligence on his part and would preclude him from claiming or invoking the rights of a "purchaser in good faith." It has been held that "the registration of a later sale must be done in good faith to entitle the registrant to priority in ownership over the vendee in an earlier sale."⁶¹ (Citations omitted)

Here, the RTC correctly pointed out that upon the execution of the 1985 DOAS, Spouses Cesa immediately took possession of Lot No. 1799. They were already occupying it at the time when Spouses Del Rosario bought the property in 2002.

⁶⁰ 709 Phil. 371 (2013).

⁶¹ *Id.* at 378, citing *Uraca v. Court of Appeals*, 344 Phil. 253, 265 (1997).

The argument of Spouses Del Rosario that it was enough that they checked the authenticity of the property's title with the Registry of Deeds is untenable. *"To buy real property while having only a general idea of where it is and without knowing the actual condition and identity of the metes and bounds of the land to be bought, is negligent and careless."* Spouses Del Rosario's failure to make an ocular inspection of the premises of Lot No. 1799, which could not have been difficult to do as they also resided in the same municipality where the property is located, and because Spouses Cesa used to be their friends,⁶² precludes their defense of good faith in the purchase.

Indeed, the totality of the circumstances of the case show that Spouses Del Rosario knew or should have known that there is some defect or issue on the seller's title. Thus, the Court cannot consider them as purchasers or registrants in good faith.

For their lack of good faith, Spouses Del Rosario cannot rely on the indefeasibility of their title over Lot No. 1799. Thus, in accordance with Article 1544 of the Civil Code, it is the first buyer, namely, Spouses Cesa, who had a better right of ownership over Lot No. 1799.

Award of Damages

Under Article 2217 of the Civil Code, *"[m]oral damages are meant to compensate the claimant for any physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injuries unjustly caused."*

Records reveal that Elisa, with the authority from Consuelo, fraudulently sold Lot No. 1799 again to Spouses Del Rosario despite having sold it first to Spouses Cesa. For the fear of Spouses Cesa to lose their property and for being compelled to undergo the rigorous proceedings of the case to protect their property rights, they had indeed suffered sleepless nights and serious anxiety. Thus, the RTC aptly ruled that Spouses Cesa are entitled to their claim for moral damages in the amount of PHP 50,000.00.

⁶² RTC records, p. 355. Judicial Affidavit of Raymundo Dei Rosario.



Article 2229 of the Civil Code provides that exemplary or corrective damages are imposed, by way of example or correction for the public good, in addition to the moral, temperate, liquidated, or compensatory damages.

The actions of Elisa and Consuelo were not only negligent but also aimed at benefiting from the double sale of Lot No. 1799 despite their prior transaction with Spouses Cesa. Their failure to disclose to Spouses Del Rosario the previous sale of Lot No. 1799 indubitably constituted bad faith and deceit.

Likewise, had Spouses Del Rosario conducted due diligence before buying Lot No. 1799, they could have known that Spouses Cesa bought the property first and are in possession of it. Their actions undermined the principles of good faith and fair dealing in property transactions. In this regard, the Court affirms the RTC's ruling that Spouses Cesa are entitled to exemplary damages in the amount of PHP 50,000.00.

Exemplary damages having been awarded to Spouses Cesa, and on account of the bad faith of Elisa, Consuelo, and Spouses Del Rosario in effecting the double sale of Lot No. 1799, the Court likewise finds Spouses Cesa entitled to attorney's fees pursuant to Article 2208(1)⁶³ of the Civil Code. The amount of PHP 200,000.00 attorney's fees imposed by the RTC is reasonable under the circumstances.

The Court notes that when Spouses Cesa filed their Complaint before the RTC, Consuelo was already deceased. Thereafter, in the course of the proceedings, Elisa passed away. Nonetheless, the RTC held her liable, together with Spouses Del Rosario, to pay damages and attorney's fees in favor of Spouses Cesa. In this regard, the Court holds the *Estate* of Elisa, together with Spouses Del Rosario, liable to pay the monetary awards due to Spouses Cesa.

⁶³ ARTICLE 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:
(1) When exemplary damages are awarded[.]



All the amounts due to Spouses Cesa shall earn legal interest at the rate of 6% per annum computed from the date of finality of this Decision until their full satisfaction.

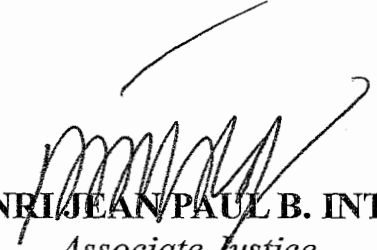
WHEREFORE, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated October 10, 2019, and the Resolution dated February 1, 2021, of the Court of Appeals in CA-G.R. CV No. 106245 are **REVERSED and SET ASIDE**. The July 13, 2015 Decision of Branch 23, Regional Trial Court of Trece Martires City in Civil Case No. TMCV-052-10 is **REINSTATED** with **MODIFICATIONS**, as follows:

- (1) The sale of the subject property by Spouses David Brucelas and Elisa Montano Brucelas to Spouses Raymundo A. Del Rosario and Nelia Del Rosario is **DECLARED NULL and VOID**;
- (2) The Registry of Deeds of the Province of Cavite is **ORDERED** to **CANCEL** Transfer Certificate of Title No. T-1019104 issued on September 9, 2002, and registered under the names of Spouses Raymundo A. Del Rosario and Nelia Del Rosario;
- (3) The Deed of Absolute Sale dated June 17, 2002, executed by Spouses David Brucelas and Elisa Montano Brucelas in favor of Spouses Raymundo A. Del Rosario and Nelia Del Rosario, is **DECLARED NULL and VOID**;
- (4) Spouses David Brucelas and Elisa Montano Brucelas and Spouses Raymundo A. Del Rosario and Nelia Del Rosario are **ORDERED** to **PAY** Spouses Angel Cesa and Feliciano Cesa, as substituted by their heirs, the amounts of PHP 200,000.00 as attorney's fees, PHP 50,000.00 as exemplary damages, and PHP 50,000.00 as moral damages;
- (5) All the amounts due to Spouses Angel Cesa and Feliciano Cesa, as substituted by their heirs, shall be proceeded against the estate of Elisa Montano Brucelas and against Spouses Raymundo A. Del Rosario and Nelia Del Rosario; and



- (6) All the amounts due to Spouses Angel Cesa and Feliciano Cesa, as substituted by their heirs, shall earn legal interest at the rate of 6% per annum computed from the date of the finality of this Decision until their full satisfaction.

SO ORDERED.

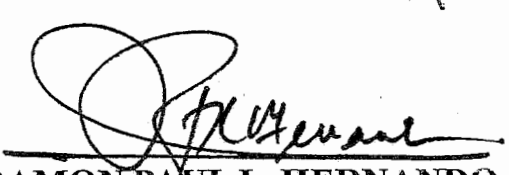


HENRI JEAN PAUL B. INTING
Associate Justice


WE CONCUR:



ALFREDO BENJAMIN S. CAGUITA
Associate Justice



RAMON PAUL L. HERNANDO
Associate Justice



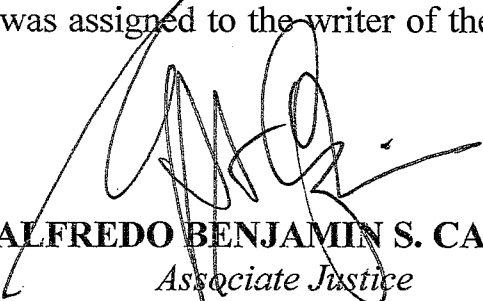
SAMUEL H. GAERLAN
Associate Justice



JAPAR B. DIMAAMPAO
Associate Justice

ATTESTATION

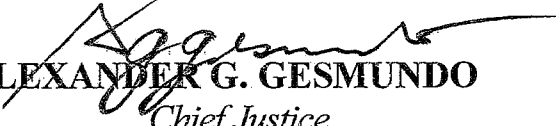
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 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.



ALEXANDER G. GESMUNDO
Chief Justice