



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated 12 May 2021 which reads as follows:

“G.R. No. 219363 (*Grace D. Crisostomo-Digma v. Victoria Gabriel*).—This Petition for Review on *Certiorari*¹ under Rule 45 of the Revised Rules of Court assails the Decision² dated March 16, 2015 and Resolution³ dated July 10, 2015 of the Court of Appeals (CA) in CA-G.R. CV No. 101541, which affirmed the Decision⁴ dated April 18, 2012 of the Regional Trial Court (RTC) of Trece Martires City, Branch 23, in Civil Case No. TMCV 0030-02.

ANTECEDENTS

Grace D. Crisostomo-Digma’s (petitioner) paternal grandfather, Emiliano Crisostomo (Emiliano), married to Feliciano Estrella (Feliciano), was the registered owner of the subject parcel of land covered by Transfer Certificate of Title (TCT) No. T-70662 RT-19582. On January 15, 1990, Spouses Emiliano and Feliciano mortgaged the property to “Felino Gabriel (Felino), married to Victoria Gabriel (respondent)” as stated in a duly notarized Deed of Real Estate Mortgage. This deed was registered and annotated at the back of TCT No. T-70662 RT-19582. Upon default in payment, Felino initiated foreclosure proceedings. A public auction was held on August 27, 1991, wherein Felino emerged as the highest bidder. A certificate of sale was issued in his favor, which was also annotated at the back of the title. When Spouses Emiliano and Feliciano failed to redeem the property, TCT No. T-367142 was issued in the name of “Felino, married to [respondent].” On March 22, 1993, Felino sold the property to Crisanta Tijol (Crisanta). TCT No. T-382987 was then issued and declared for taxation

¹ *Rollo*, pp. 7-41.

² *Id.* at 45-55; penned by Associate Justice Ramon Paul L. Hernando (now a Member of the Court), with the concurrence of Associate Justices Fernanda Lampas Peralta and Stephen C. Cruz.

³ *Id.* at 67-68.

⁴ *Id.* at 75-84; penned by Executive Judge Aurelio G. Icasiano, Jr.

purposes under Tax Declaration (TD) No. 97-63879 in Crisanta's name.⁵ Meanwhile, Felino died.⁶

On August 1, 2000, Crisanta experienced financial difficulties and considered to dispose the property to alleviate expenses. Thinking that the property has sentimental value to Felino's family, she offered to sell it to respondent. Finding no flaw on Crisanta's title, respondent bought the property. Consequently, TCT No. T-928603⁷ and TD No. 97-11477 were issued in respondent's name.⁸ Thereafter, respondent learned that the property was occupied by petitioner's sister, Nenita Crisostomo (Nenita). Being the new registered owner of the property, respondent instituted a complaint for unlawful detainer against Nenita. On March 11, 2002, the ejectment case was decided in favor of respondent by the Municipal Trial Court. This prompted petitioner to file a Complaint for Declaration of Nullity of Mortgage with Damages with the Issuance of a Preliminary Injunction against respondent.⁹ She claimed that she co-owns the property, together with the other heirs of Spouses Emiliano and Feliciana, because her father, Camilo Crisostomo (Camilo), sold his inherited portion to her through a Deed of Absolute Sale dated June 10, 1989. This Deed of Absolute Sale was, however, not registered nor annotated on the title. Petitioner averred that she and the other heirs of Emiliano were deprived of their rightful ownership by the forged Deed of Real Estate Mortgage, which paved way for the transfer of the property to respondent.¹⁰

Specifically, petitioner alleged that the signatures of her grandparents in the Deed of Real Estate Mortgage were forged as Emiliano already passed away on December 25, 1973, while Feliciana had been residing in the United States (US) since 1973 and never visited the Philippines until her death in 1992. To support her claim of forgery, petitioner presented (1) a certification issued by the Local Civil Registrar with regard to Emiliano's death;¹¹ (2) a marriage contract executed in 1960, and a certificate of live birth of a certain Rodrigo Crisostomo executed in 1972, with which to compare Feliciana's signature in the mortgage contract;¹² (3) testimony of petitioner's mother, Maria D. Crisostomo, stating that she suspects that it was her husband, Camilo, who had a hand in the execution of the mortgage in favor of Felino;¹³ and (4) testimony of petitioner's uncle, Jose Crisostomo (Joe), stating that Spouses Emiliano and Feliciana are both deceased, and that Feliciana resided in the US before her death, but he has no way of telling if she ever visited the Philippines since then.¹⁴ Petitioner also pointed out that TCT No. T-70662 RT-19582 was merely a reconstituted title and that the original owner's duplicate

⁵ *Id.* at 75.

⁶ *Id.* at 79, wherein it was stated that respondent is Felino's "balo" or widow.

⁷ See TCT-928306 in p. 77, *rollo*.

⁸ *Rollo*, pp. 47-48; and 103.

⁹ *Id.* at 45-46.

¹⁰ *Id.* at 75-77.

¹¹ *Id.* at 53.

¹² *Id.* at 80.

¹³ *Id.* at 77-78.

¹⁴ *Id.* at 78.

copy is clean and unencumbered,¹⁵ albeit she was not able to present it in evidence because it was with her aunt in the US.¹⁶ Lastly, petitioner claimed that respondent was a buyer in bad faith because as Felino's wife, she should have knowledge of the transactions and proceedings dealt with by her husband. She also alleged that sometime in 1990, Felino and respondent visited the property. During that visit, petitioner and her mother informed Felino and respondent that Emiliano had already passed and Feliciana was already residing in the US, hence, they could not have mortgaged the property to them.¹⁷

Respondent, on the other hand, denied knowledge of, and participation in the mortgage entered into by his husband, as well as the foreclosure proceedings instituted by him. She averred that her husband acquired the property through the foreclosure sale, which was conducted in accordance with law and was never invalidated; that her husband sold the property to Crisanta, to whom TCT No. T-382987 and TD No. 97-63879 were issued; that after seven years of ownership, due to financial difficulties, Crisanta offered to sell the property to respondent; that without knowledge of any flaw in Crisanta's title, respondent bought the property from Crisanta. Hence, the property is now registered in respondent's name under TCT No. T-928603 and also under TD No. 97-11477 for taxation purposes.¹⁸

In a Decision¹⁹ dated April 18, 2012, the RTC found no sufficient evidence to support the claim of forgery, as well as bad faith on the part of respondent. The RTC also ruled that petitioner failed to protect her interest if she indeed bought her father's inherited portion in the property when she failed to register the alleged sale and have the sold portion transferred in her name. It disposed, thus:

For all the foregoing and for failure of [petitioner] to prove her case by a preponderance of evidence, the Court has no alternative but to dismiss the case, as in fact, this case is hereby **DISMISSED**.

SO ORDERED.²⁰

Aggrieved, petitioner filed a Motion for New Trial and this time, she attached the owner's duplicate copy of TCT No. T-70662 to prove that it is unencumbered and that the mortgage and series of transfers of the property were fraudulent. The RTC, however, denied this motion in its Order dated July 12, 2012.²¹ An appeal was then filed before the CA.

In its Decision²² dated March 16, 2015, the CA affirmed the RTC ruling in its entirety. It found that the variance in the signatures appearing in the

¹⁵ *Id.* at 10.

¹⁶ *Id.* at 77.

¹⁷ *Id.* at 9-10 and 78.

¹⁸ *Id.* at 78-79.

¹⁹ *Id.* at 75-84.

²⁰ *Id.* at 84.

²¹ *Id.* at 49-50.

²² *Id.* at 45-55.

instruments supposedly signed by Feliciano in 1960 and 1972 *vis-à-vis* the signature in the Deed of Real Estate Mortgage executed in 1990 cannot be considered as conclusive proof of forgery in view of the significant interval between the dates of execution of the instruments being compared.²³ As regards Emiliano's death, the CA found that the certification presented by petitioner was not a certified true copy or a duly authenticated reproduction of Emiliano's supposed death certificate. Hence, it cannot be given probative value and its content cannot be deemed to constitute proof of the fact and details of Emiliano's death.²⁴ Finally, the CA also found respondent to be a buyer in good faith as she bought the property directly from the registered owner, whose title had no indication of any flaw to cause respondent to be suspicious of the property's condition.²⁵ Thus, it disposed:

ACCORDINGLY, on the foregoing reasons, the Court **DENIES** the instant appeal.

SO ORDERED.²⁶

Petitioner's Motion for Reconsideration was likewise denied in the CA's Resolution²⁷ dated July 10, 2015:

ACCORDINGLY, We **DENY** the Motion for Reconsideration for lack of merit.

SO ORDERED.²⁸

Hence, this Petition. Petitioner insists on her allegation of forgery.²⁹ In the main, she argues that the presentation of the unencumbered original owner's duplicate copy proves her claim that her grandparents never mortgaged the property.³⁰ She maintains that her grandfather died in 1973, while her grandmother stayed in the US from 1973 until her death in 1992.³¹ She also claims that respondent cannot be considered as a buyer in good faith, alleging that Felino was with respondent when they visited the property and informed of Emiliano's death and Feliciano's whereabouts. Also, as Felino's wife, respondent cannot deny knowledge of her husband's dealings with the property.³²

RULING

We deny the Petition.

Essentially, petitioner entreats this Court to determine the existence of

²³ *Id.* at 52-53.

²⁴ *Id.* at 53-54.

²⁵ *Id.* at 54.

²⁶ *Id.* at 55.

²⁷ *Id.* at 67-68.

²⁸ *Id.* at 68.

²⁹ *Id.* at 22-30.

³⁰ *Id.* at 8.

³¹ *Id.* at 34-35.

³² *Id.* at 30-34.

forgery in the execution of the mortgage, and to determine whether respondent can be considered as a buyer in good faith. These, however, are purely factual matters, necessitating us to determine the truth or falsehood of facts and to recalibrate the whole evidence on record, which are generally outside the province of the judicial review in a petition under Rule 45.³³ To be sure, this Court is not unaware of the exceptions³⁴ to this rule, but none applies in this case. At any rate, we find no error from the uniform factual findings and legal conclusions of the RTC and the CA that would warrant their reversal or modification.

The main thrust of petitioner's cause of action is her claim that the Deed of Real Estate Mortgage dated January 15, 1990, which paved way for the transfer of the property from Felino to Crisanta, and thereafter, to respondent, was a forgery. The RTC and the CA, however, consistently found no conclusive proof of forgery from the evidence on record. No sufficient and competent evidence were adduced to prove the true and exact date of Emiliano's death, as well as the claim that Feliciano never came back to the Philippines in 1990, which could have supported petitioner's claim that her late grandparents could not have executed the mortgage deed in 1990. In this respect, we find no reason to deviate from the general rule that the factual findings of the lower courts are deemed conclusive and binding upon this Court.³⁵

Indeed, allegations of forgery, like all other allegations, must be proved by clear, positive, and convincing evidence by the party alleging it.³⁶ Pertinently, Section 22, Rule 132 of the Revised Rules of Court, provides for the means to prove the genuineness of a person's handwriting, viz.:

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

³³ *Sps. Peralta v. Heirs of Bernardina Abalon*, 737 Phil. 310, 331-332 (2014).

³⁴ (1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) **when the judgment is based on a misapprehension of facts**; (5) when the findings of facts are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion. *Ambray, v. Tsourous*, 789 Phil. 226, 237-238 (2016).

³⁵ *Leong v. See*, 749 Phil. 314, 326 (2014).

³⁶ *Heirs of Peter Donton v. Stier*, 817 Phil. 165, 177 (2017).

Notably, petitioner failed to comply with the RTC's Order dated January 30, 2006 to have the signatures examined by the National Bureau of Investigation.³⁷ Instead, petitioner presented instruments dated 1960 and 1972 before the RTC, to compare with Feliciano's signature in the Deed of Real Estate Mortgage dated 1990. Some variance, as well as similarities, in the strokes of the signatures in three documents were found. The RTC, as affirmed by the CA, concluded that such variance cannot be considered as conclusive proof of forgery, especially considering the significant intervals in the dates when the signatures being compared were undertaken. Our ruling in *Gepulle-Garbo v. Sps. Garabato*,³⁸ is instructive:³⁹

x x x x [T]he authenticity of a questioned signature cannot be determined solely upon its general characteristics, similarities or dissimilarities with the genuine signature. Dissimilarities as regards spontaneity, rhythm, pressure of the pen, loops in the strokes, signs of stops, shades, etc., that may be found between the questioned signature and the genuine one are not decisive on the question of the former's authenticity. The result of examinations of questioned handwriting, even with the benefit of aid of experts and scientific instruments, is, at best, inconclusive. There are other factors that must be taken into consideration. The position of the writer, the condition of the surface on which the paper where the questioned signature is written is placed, his state of mind, feelings and nerves, and the kind of pen and/or paper used, play an important role on the general appearance of the signature. Unless, therefore, there is, in a given case, absolute absence, or manifest dearth, of direct or circumstantial competent evidence on the character of a questioned handwriting, much weight should not be given to characteristic similarities, or dissimilarities, between that questioned handwriting and an authentic one.

The opinion of handwriting experts are [*sic*] not necessarily binding upon the court, the expert's function being to place before the court data upon which the court can form its own opinion. This principle holds true especially when the question involved is mere handwriting similarity or dissimilarity, which can be determined by a visual comparison of specimens of the questioned signatures with those of the currently existing ones. A finding of forgery does not depend entirely on the testimonies of handwriting experts, because the judge must conduct an independent examination of the questioned signature in order to arrive at a reasonable conclusion as to its authenticity.⁴⁰ (Citations omitted and emphasis supplied.)

Moreover, an allegation that Feliciano was in the US at the time of the execution of the mortgage contract is not sufficient proof that her signature was forged.⁴¹ In fact, the testimony of petitioner's uncle, Joe, that he has no way of telling if Feliciano ever visited the Philippines after she settled in the US belies petitioner's claim that there was no way for Feliciano to have signed the mortgage deed in 1990.

³⁷ *Id.* at 81.

³⁸ 750 Phil. 846 (2015).

³⁹ See also *Heirs of Peter Donton v. Stier*, *supra* note 36.

⁴⁰ *Gepulle-Garbo v. Sps. Garabato*, *supra* note 38, at 856-857.

⁴¹ See *Lim v. Equitable PCI Bank*, 724 Phil. 453, 461 (2014).

We also see no convincing reason to overturn the CA's finding that the document presented by petitioner to prove Emiliano's death in 1973 is a mere certification, not certified copies or duly authenticated reproduction of the purported death certificate, which cannot be considered as a public document. The court *a quo* further observed that the local civil registrar who supposedly issued the certification was not presented as a witness to authenticate and identify the document; and none of petitioner's witnesses testified on how the certification was obtained. Hence, it cannot be given any probative value and cannot be considered as conclusive proof of the facts stated therein.⁴²

There is likewise no proof to support petitioner's claim that the reconstitution of the property's title was fraudulent and that respondent and her late husband had a hand in perpetrating the alleged fraud. In any case, this Court is constrained to take the reconstituted title at face value as it was never questioned nor invalidated in the proper forum.

Furthermore, no evidence was adduced to prove any irregularity in the conduct of the foreclosure proceedings. Besides, like the reconstitution proceedings, the foreclosure was never questioned, much less invalidated, in the proper forum.

In sum, petitioner failed to prove her claim of forgery or fraud. Besides, even if forgery was proven, petitioner's case still fails. Well-settled is the rule that a forged or fraudulent document may become the root of a valid title, if the property has already been transferred from the name of the owner to that of the forger, and then to that of an innocent purchaser for value or a buyer in good faith.⁴³ On this score, we sustain the RTC and CA's finding that respondent is a buyer in good faith.

A buyer in good faith is defined as one who buys property without notice that some other person has a right to, or interest in such property and pay its fair price before she has notice of the adverse claims and interest of another person in the same property. The honesty of intention which constitutes good faith implies a freedom from knowledge of circumstances which ought to put a person on inquiry.⁴⁴ Section 53⁴⁵ of Presidential Decree

⁴² *Delfin v. Billones*, 519 Phil. 720, 736-737 (2006).

⁴³ *Tolentino v. Sps. Latagan*, 761 Phil. 108, 132-133 (2015).

⁴⁴ *Id.* at 134.

⁴⁵ PD NO. 1529, SEC. 53. *Presentation of owner's duplicate upon entry of new certificate.* No voluntary instrument shall be registered by the Register of Deeds, unless the owner's duplicate certificate is presented with such instrument, except in cases expressly provided for in this Decree or upon order of the court, for cause shown.

The production of the owner's duplicate certificate, whenever any voluntary instrument is presented for registration, shall be conclusive authority from the registered owner to the Register of Deeds to enter a new certificate or to make a memorandum of registration in accordance with such instrument, and the new certificate or memorandum shall be binding upon the registered owner and upon all persons claiming under him, in favor of every purchaser for value and in good faith.

In all cases of registration procured by fraud, the owner may pursue all his legal and equitable remedies against the parties to such fraud **without prejudice, however, to the rights of any innocent holder for value of a certificate of title.** After the entry of the decree of registration on the original petition or application, any subsequent registration procured by the presentation of a forged duplicate certificate of title, or a forged deed or other instrument, shall be null and void. (Emphasis supplied)

(PD) No. 1529⁴⁶ or the “Property Registration Decree” provides protection to innocent purchasers for value by considering their title valid and allowing them to retain the parcel of land bought. Notably, burden lies upon the person who asserts that he or she is a buyer in good faith.⁴⁷

Relevant to this doctrine is the well-settled rule that every person dealing with registered land may safely rely on the correctness of the certificate of title issued therefor, and the law will in no way oblige him or her to go beyond the title to determine the condition of the property.⁴⁸ The Court has consistently held that the buyer is not required to explore further than what the Torrens Title upon its face indicates in quest for any hidden defects, or inchoate right that may subsequently defeat his or her right to the property.⁴⁹ He or she is charged only of such burdens and claims as are annotated on the title. Otherwise, the efficacy and conclusiveness of the certificate of title, which the Torrens system seeks to insure, would entirely be rendered futile and nugatory. This principle admits of an unchallenged exception, *i.e.*, when the buyer has actual knowledge of facts and circumstances that would impel a reasonably cautious and prudent man to make further inquiry into the title and condition of the property; or knowledge of the lack of, or defect in his, or her seller’s title. One who falls within the exception can neither be denominated an innocent purchaser for value nor a purchaser in good faith; and hence does not merit the protection of the law. The presence of anything which arouses suspicion should prompt the buyer to look beyond the certificate of title and investigate the title of the seller appearing on the face of the title.⁵⁰

In this case, we find that respondent has successfully discharged the burden of proving that she is a buyer in good faith. The records are clear that a mortgage was executed between Felino and Spouses Emiliano and Feliciana; the property was foreclosed upon default in payment; Felino acquired the property in the foreclosure sale as the highest bidder as evidenced by a certificate of sale, annotated at the back of TCT No. T-70662 RT-19582; title to the property was thereafter duly registered in Felino’s name under TCT No. T-367142; Felino then sold and transfer the title to Crisanta as evidenced by TCT No. T-382987 and TD No. 97-63879; and after seven years of ownership, Crisanta sold the property to respondent, who now has the title to the property as evidenced by TCT No. T-928603 and TD No. 97-11477. These series of duly registered transfers brought about a new title, which became the root of the valid title in the name of the buyer in good faith.⁵¹ Note that respondent bought the property directly from the registered owner herself, Crisanta. When the property was offered to respondent, there was nothing on Crisanta’s title that would have prompted respondent to inquire further on the title and condition of the property. There was no annotation that would blight

⁴⁶ AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES. Approved on June 11, 1978.

⁴⁷ *Tolentino v. Sps. Latagan*, *supra* note 43.

⁴⁸ *Sps. Peralta v. Heirs of Bernardina Abalon*, *supra* note 33 at 324.

⁴⁹ *Tolentino v. Sps. Latagan*, *supra* note 42 at 134.

⁵⁰ *Sps. Peralta v. Heirs of Bernardina Abalon*, *supra* note 33.

⁵¹ See *Sps. Peralta v. Heirs of Bernardina Abalon*, *id.*

Crisanta's clean title. Respondent also considered that Crisanta had owned the property for seven years before it was sold to her. Respondent, thus, cannot be faulted for believing that Crisanta was the owner of the property and had transmissible rights of ownership over it. Thus, she had every right under the law to rely on the face of the title alone.

We further accentuate that aside from petitioner's allegations, there is nothing on record that sufficiently substantiates her claim that before acquisition of the property, respondent had knowledge of its alleged fraudulent transfers, if at all, from Emiliano, to Felino, and to Crisanta. Neither was it proven that respondent had knowledge of the occupancy of petitioner's family, or of anything that would make her suspicious of the nature of Crisanta's ownership over the property before the sale. The fact that respondent was Felino's wife can hardly be considered as sufficient evidence to prove her knowledge and participation in the mortgage, foreclosure, and sale of the property before she bought it from Crisanta. Petitioner's bare allegation that respondent visited the property with her husband in 1990, and was informed of Emiliano's and Feliciano's whereabouts, is self-serving and likewise insufficient. Hence, we sustain the RTC and CA's uniform ruling that respondent is a buyer in good faith. Consequently, the validity of respondent's title must be upheld.

FOR THESE REASONS, the Petition for Review on *Certiorari* is **DENIED**. The Decision dated March 16, 2015 and Resolution dated July 10, 2015 of the Court of Appeals in CA-G.R. CV No. 101541 are hereby **AFFIRMED**.

SO ORDERED." (Lopez, J. Y., J., designated additional Member *per* Special Order No. 2822 dated April 7, 2021.)

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

By:



MA. CONSOLACION GAMINDE-CRUZADA
Deputy Division Clerk of Court

07 JUN 2021

6/30

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