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FIRST DIVISION

[G.R. No. 193156. September 26, 2018]

IVQ LAND HOLDINGS, INC., *petitioner, vs.* **REUBEN BARBOSA,** *respondent.*

SYLLABUS

1. CIVIL LAW; THE CIVIL CODE; QUIETING OF TITLE; IN AN ACTION TO QUIET TITLE, THE PLAINTIFFS OR COMPLAINANTS MUST DEMONSTRATE A LEGAL OR AN EQUITABLE TITLE TO, OR AN INTEREST IN, THE SUBJECT REAL PROPERTY, AND MUST SHOW THAT THE DEED, CLAIM, ENCUMBRANCE OR PROCEEDING THAT PURPORTEDLY CASTS A CLOUD ON THEIR TITLE IS IN FACT INVALID OR INOPERATIVE DESPITE ITS *PRIMA FACIE* APPEARANCE OF VALIDITY OR LEGAL EFFICACY.— We have perused the records of the case once again and we found the recommendation of the Court of Appeals well-taken. IVQ still failed to convince us to rule in its favor. *Secuya v. De Selma* reiterates that: In an action to quiet title, the plaintiffs or complainants must demonstrate a legal or an equitable title to, or an interest in, the subject real property. Likewise, they must show that the deed, claim, encumbrance or proceeding that purportedly casts a cloud on their title is in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy. This point is clear from Article 476 of the Civil Code, which reads: "Whenever there is cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet title." "An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein."

2. REMEDIAL LAW; EVIDENCE; BEST EVIDENCE RULE; THE COURT SHALL NOT RECEIVE ANY EVIDENCE THAT IS MERELY SUBSTITUTIONARY IN ITS

Supreme Court E-Library

NATURE, SUCH AS PHOTOCOPIES, AS LONG AS THE ORIGINAL EVIDENCE CAN BE HAD; ABSENT A CLEAR SHOWING THAT THE ORIGINAL WRITING HAS BEEN LOST, DESTROYED OR CANNOT BE PRODUCED IN COURT, THE PHOTOCOPY MUST BE DISREGARDED, BEING UNWORTHY OF ANY PROBATIVE VALUE AND BEING AN INADMISSIBLE PIECE OF EVIDENCE.— We find that the Court of Appeals cannot be faulted for not giving weight and probative value to the submitted documents that were mere copies. Given the significance and consequence of the original copies of the documents in the outcome of this case, the same should have been presented immediately to the Court or to the Court of Appeals. The fact that the originals were not so submitted is counterintuitive, dubious and even speaks of negligence on the part of IVQ. The Court reiterated in *Philippine Banking Corporation v. Court of Appeals* that: The Best Evidence Rule provides that the court shall not receive any evidence that is merely substitutionary in its nature, such as photocopies, as long as the original evidence can be had. Absent a clear showing that the original writing has been lost, destroyed or cannot be produced in court, the photocopy must be disregarded, being unworthy of any probative value and being an inadmissible piece of evidence. Moreover, we stressed in *Heirs of Prodon v. Heirs of Alvarez* that: x x x. **The rule further acts as an insurance against fraud. Verily, if a party is in the possession of the best evidence and withholds it, and seeks to substitute inferior evidence in its place, the presumption naturally arises that the better evidence is withheld for fraudulent purposes that its production would expose and defeat**. x x x. In this case, IVQ offered no valid reason for the non-production of the original copies of most of the documents it submitted before the Court of Appeals.

3. **CIVIL LAW; LAND REGISTRATION; CERTIFICATE OF TITLE; THE CORRECTNESS OR INCORRECTNESS OF THE ENTRIES IN A PARTY'S CERTIFICATE OF TITLE COVERING A PARTICULAR PROPERTY DOES NOT DIRECTLY TRANSLATE TO THE VALIDITY OR INVALIDITY OF SAID PARTY'S OWNERSHIP OR TITLE TO THE PROPERTY; CLARIFIED.—** As to the letter dated October 20, 2010 from LRA Director Porfirio R. Encisa, Jr. that explains that the FLS-2554-D in IVQ's TCT No. 253434 was a mere typographical error, the same pertains to an entry in IVQ's TCT No. 253434 and does little to bolster IVQ's claim of ownership over the subject property. The correctness or

Supreme Court E-Library

incorrectness of the entries in a party's certificate of title covering a particular property does not directly translate to the validity or invalidity of said party's ownership or title to the property. As the Court clarified in *Heirs of Clemente Ermac v. Heirs of Vicente Ermac*: [O]wnership is not the same as a certificate of title. Registering a piece of land under the Torrens System does not create or vest title, because registration is not a mode of acquiring ownership. A certificate of title is merely an evidence of ownership or title over the particular property described therein. Its issuance in favor of a particular person does not foreclose the possibility that the real property may be co-owned with persons not named in the certificate, or that it may be held in trust for another person by the registered owner.

APPEARANCES OF COUNSEL

Daniel Y. Laogan Law Office for petitioner.
Egmedio Castillon, Jr., for respondent.

R E S O L U T I O N

LEONARDO-DE CASTRO, *C.J.*:

This case returns once more to this Court after we ordered its remand to the Court of Appeals in view of its singular and complicated factual milieu. In our Resolution[1] dated January 18, 2017, we directed the appellate court to conduct further proceedings on the case and to receive additional evidence from the parties, including but not limited to the evidence specifically required by the Court. Thereafter, the Court of Appeals was ordered to submit a report on its findings and recommended conclusions. As the appellate court had since submitted its Report and Recommendation[2] to this Court, the case is now up for resolution.

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[1] *Rollo,* pp. 542-559.

[2] *Id.* at 566-574; penned by Associate Justice Stephen C. Cruz with Associate Justices Jose C. Reyes, Jr. (now a member of this Court) and Nina G. Antonio-Valenzuela concurring.

Supreme Court E-Library

The Petition for Cancellation and Quieting of Title

To recall the antecedents of the case, we quote the factual narration laid out in our Resolution dated January 18, 2017, thus:

On June 10, 2004, Barbosa filed a Petition for Cancellation and Quieting of Titles against Jorge Vargas III, Benito Montinola, [IVQ Land Holdings, Inc. (IVQ)], and the Register of Deeds of Quezon City, which case was docketed as Civil Case No. Q04-52842 in the RTC of Quezon City, Branch 222.

Barbosa averred that on October 4, 1978, he bought from Therese Vargas a parcel of land identified as Lot 644-C-5 located on Visayas Avenue, Culiat, Quezon City (subject property). Thereafter, Therese Vargas surrendered to Barbosa the owner's duplicate copy of her title, Transfer Certificate of Title (TCT) No. 159487. In the Deed of Absolute Sale in favor of Barbosa and in the copy of Therese Vargas's TCT No. 159487, the subject property was described as:

> A parcel of land (Lot 644-C-5 of the subdivision plan, LRC, Psd-14038, being a portion of Lot 644-C, Fls-2544-D, LRC, Record No. 5975); situated in the District of Culiat, Quezon City, Island of Luzon. x x x containing an area of THREE THOUSAND FOUR HUNDRED FIFTY-TWO (3,452) square meters, more or less.

Barbosa said that he took possession of the subject property and paid real estate taxes thereon in the name of Therese Vargas. Sometime in 2003, Barbosa learned that Therese Vargas's name was cancelled and replaced with that of IVQ in the tax declaration of the subject property.

Upon investigation, Barbosa found out that the subject property was previously registered in the name of Kawilihan Corporation under TCT No. 71507. Therese Vargas acquired the subject property from Kawilihan Corporation and the date of entry of her TCT No. 159487 was November 6, 1970. On the other hand, IVQ supposedly bought the subject property from Jorge Vargas III who, in turn, acquired it also from Kawilihan Corporation. The date of entry of Jose Vargas III's TCT No. 223019 was October 14, 1976. This title was later reconstituted and re-numbered as TCT No. RT-76391. The title of IVQ, TCT No. 253434, was issued on August 6, 2003.

Supreme Court E-Library

Barbosa argued that even without considering the authenticity of Jorge Vargas III's title, Therese Vargas's title bore an earlier date. Barbosa, thus, prayed for the trial court to issue an order directing the Office of the Register of Deeds of Quezon City to cancel Jorge Vargas III's TCT No. 223019 and IVQ's TCT No. 253434 and adjudicating ownership of the subject property to him.

In their Answer to the above petition, Jose Vargas III, Benito Montinola, and IVQ (respondents in the court *a quo)* countered that the alleged title from where Barbosa's title was allegedly derived from was the one that was fraudulently acquired and that Barbosa was allegedly part of a syndicate that falsified titles for purposes of "land grabbing." They argued that it was questionable that an alleged lot owner would wait for 30 years before filing an action to quiet title. They prayed for the dismissal of the petition and, by way of counterclaim, sought the award of moral and exemplary damages, attorney's fees and costs of suit.

The Register of Deeds of Quezon City neither filed an answer to Barbosa's petition nor participated in the trial of the case.[3] (Citations omitted.)

The Proceedings in the RTC

The trial court proceedings were likewise summarized in our previous resolution in this wise:

During trial, Barbosa testified, *inter alia,* that he is the owner of the subject property that he bought from Therese Vargas. The property was at that time registered in her name under TCT No. 159487. Barbosa took possession of the subject property seven days after he bought the same and he employed a caretaker to live therein. Before Therese Vargas, the owner of the property was Kawilihan Corporation, which company was owned by Jorge Vargas. Barbosa stated that the subject property remained registered in the name of Therese Vargas as he entrusted her title to another person for custody but the said person went to Canada. Barbosa paid real estate taxes on the subject property in the name of Kawilihan Corporation from 1978 until 2002. From 2003 to 2006, he paid real estate taxes thereon in the name of Therese Vargas.

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[3] *Id.* at 543-544.

Supreme Court E-Library

Barbosa added that in the year 2000, Santiago Sio Soy Une, allegedly the president of Lisan Realty and Development Corporation (Lisan Realty), presented to Barbosa's caretaker a Deed of Sale with Assumption of Mortgage, which was allegedly executed by Jorge Vargas III and Lisan Realty involving the subject property. Barbosa then went on to compile documents on the transactions relating to the subject property.

Barbosa testified that in the Deed of Sale with Assumption of Mortgage of Jorge Vargas III and Santiago Sio Soy Une, the Friar Land Survey (FLS) number was denominated as FLS-2554-D, while in the title of Therese Vargas it was FLS-2544-D. Barbosa obtained a certification from the Lands Management Bureau that FLS-2554-D was not listed in their electronic data processing (EDP) listing, as well as a certification from the DENR that FLS-2554-D had no records in the Land Survey Records Section of said office. On the other hand, he obtained a certification from the Lands Management Bureau that Lot 644 subdivided under FLS-2544-D was listed in their records. Barbosa also learned that IVQ was registered with the Securities and Exchange Commission only on June 5, 1998. Moreover, on January 7, 2004, IVQ filed Civil Case No. Q-1 7499 (04); which is a petition for the cancellation of an adverse claim filed by Santiago Sio Soy Une *(Exhibit "RR").* In a portion of the transcript of stenographic notes (TSN) in said case, it was stated that IVQ bought the property from Therese Vargas, not from Jorge Vargas III.

Barbosa furthermore secured a certification from the EDP Division of the Office of the City Assessor in Quezon City that there were no records of real property assessments in the name of Jorge Vargas III as of August 15, 2006. Moreover, Barbosa stated that Atty. Jesus C. Apelado, Jr., the person who notarized the March 3, 1986 Deed of Absolute Sale between Jorge Vargas III and IVQ, was not authorized to do so as Atty. Apelado was only admitted as a member of the Philippine Bar in 1987. Also, the notarial register entries, *i.e.,* the document number, page number, book number and series number, of the Deed of Absolute Sale in favor of IVQ were exactly the same as those in the special power of attorney (SPA) executed by Jorge Vargas III in favor of Benito Montinola, who signed the Deed of Absolute Sale on behalf of Jorge Vargas III. The Deed of Absolute Sale and the SPA were notarized by different lawyers but on the same date.

Supreme Court E-Library

On the part of the respondents in the court *a quo,* they presented a lone witness, Atty. Erlinda B. Espejo. Her testimony was offered to prove that she was the legal consultant of IVQ; that IVQ's TCT No. 253434 was acquired from Jorge Vargas III through TCT No. RT-76391; that Jorge Vargas III's title was mortgaged at Philippine National Bank (PNB), Bacolod; that Benito Montinola, the attorney-in-fact of Jorge Vargas III, sold the subject property to Lisan Realty who in turn assigned its rights to IVQ and; that IVQ redeemed the property from PNB. Barbosa's counsel offered to stipulate on the offer so that the witness' testimony could already be dispensed with.

As to the supposed sale to Lisan Realty and Lisan Realty's assignment of rights to IVQ, the counsel for Barbosa agreed to stipulate on the same if the transactions were annotated in Jorge Vargas III's title. The counsel for IVQ said that they were so annotated. Upon inquiry of the trial court judge, the counsel for IVQ clarified that the transfers or assignment of rights were done at the time that the subject property was mortgaged with PNB. The property was then redeemed by IVQ on behalf of Jorge Vargas III.[4] (Citations omitted).

The Judgment of the RTC

The trial court thereafter rendered a Decision in favor of Barbosa, *viz.*:

On June 15, 2007, the RTC granted Barbosa's petition and ordered the cancellation of IVQ's TCT No. 253434. The trial court noted that while the original copy of the Deed of Absolute Sale in favor of Barbosa was not presented during trial, Barbosa presented secondary evidence by submitting to the court a photocopy of said deed and the deed of sale in favor of his predecessor-in-interest Therese Vargas, as well as his testimony. The RTC ruled that Barbosa was able to establish the existence and due execution of the deeds of sale in his favor and that of Therese Vargas.

The Certification dated February 12, 2004 from the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC, Manila stated that the page on which the Deed of Sale dated October 4, 1978 in favor of Barbosa might have been probably entered was torn. This, however, did not discount the possibility that said deed was actually notarized and recorded in the missing notarial records page. Moreover,

[4] *Id.* at 544-545.

the RTC found that Barbosa adduced evidence that proved the payment of Therese Vargas to Jorge Vargas, as well as the payment of Barbosa to Therese Vargas.

The RTC further observed that Therese Vargas's TCT No. 159487 and Jorge Vargas III's TCT No. 223019 bear more or less identical technical descriptions of Lot 644-C-5, except for their friar survey plan numbers. However, the Lands Management Bureau and Land Survey Records Section of the DENR, NCR issued certifications attesting that their respective offices had no record of FLS-2554-D, the land survey number in the certificates of title held by Jorge Vargas III and IVQ. On the other hand, Barbosa presented a certified true copy of the subdivision survey plan FLS-2544-D from the Lands Management Bureau, thereby bolstering his claim that the title of Therese Vargas was an authentic transfer of the title of Kawilihan Corporation.

Therese Vargas's TCT No. 159487 was also issued earlier in time than Jorge Vargas III's TCT No. 223019. Not only was the original of Therese Vargas's TCT No. 159487 presented in court, but the same was also proven to have existed according to the Certification from the LRA dated October 6, 2003 that Judicial Form No. 109-D with Serial No. 1793128 — pertaining to TCT No. 159487 - was issued by an authorized officer of the Register of Deeds of Quezon City.

In contrast, the RTC noted that IVQ was not able to prove its claim of ownership over the subject property. The deed of sale in favor of IVQ, which was supposedly executed in 1986, was inscribed only in 2003 on Jorge Vargas III's TCT No. RT-76391 that was reconstituted back in 1993. Instead of substantiating their allegations, respondents in the court *a quo* opted to offer stipulations, such as on the matter of Lisan Realty's assignment of its rights of ownership over the subject property in favor of IVQ. However, the said assignment was not reflected in the title of Jorge Vargas III. The RTC likewise found it perplexing that when IVQ filed a petition for cancellation of encumbrance in Jorge Vargas III's title, docketed as LRC No. Q-17499 (04), it alleged therein that it acquired the subject property from Therese Vargas, not Jorge Vargas III.

The trial court added that while there is no record of tax declarations and payment of real estate taxes in the name of Jorge Vargas III, Therese Vargas declared the subject property for taxation purposes in her name and, thereafter, Barbosa paid real estate taxes thereon

Supreme Court E-Library

in her name. On the other hand, the only tax declaration that IVQ presented was for the year 2006. The RTC also opined that while Barbosa was not able to sufficiently establish his possession of the subject property as he failed to put on the witness stand the caretaker he had authorized to occupy the property, IVQ also did not gain control and possession of the subject property because the same continued to be in the possession of squatters.

To impugn the above decision of the trial court, IVQ, alone, filed a **Motion for Reconsideration/New Trial/Reopening of Trial** under the representation of a new counsel. In its Motion for Reconsideration, IVQ argued that the RTC erred in concluding that Barbosa's title is superior to its title. IVQ alleged that Barbosa submitted forged and spurious evidence before the trial court. On the other hand, in its Motion for New Trial, IVQ alleged that it was defrauded by its former counsel, Atty. Leovigildo Mijares, which fraud prevented it from fully presenting its case in court. IVQ also averred that it found newly-discovered evidence, which it could not have discovered and produced during trial.

In an **Order** dated November 28, 2007; the trial court denied IVQ's**Motion for Reconsideration/New Trial/Reopening of Trial** for lack of merit.[5] (Citations omitted.)

The Proceedings before the Court of Appeals

IVQ filed an appeal to the Court of Appeals, which was docketed as CA-G.R. CV No. 90609. IVQ made the following factual averments in its Appellant's Brief:

On 12 March 1976, Kawilihan Corporation, represented by its President and Chairman of the Board Jorge B. Vargas, executed a Deed of Absolute Sale x x x, whereby he sold the subject property to appellant Vargas, III.

On 14 October 1976, TCT No. 71507 was cancelled and in lieu thereof TCT No. 223019 x x x was issued in the name of appellant Vargas, III who on 23 December 1976 executed a Special Power of Attorney x x x in favor of appellant Benito C. Montinola, Jr. with power among other things to mortgage the subject property for and in behalf of appellant Vargas, III.

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[5] *Id.* at 546-547.

Supreme Court E-Library

On 25 December 1976, appellant Vargas, III mortgaged the subject property to the Philippine National Bank (PNB), Victorias Branch, Negros Occidental as security for a loan in the principal amount of ₱506,000.00.

On 04 October 1978, Therese Vargas executed a Deed of Absolute Sale x x x wherein she sold the subject property to appellee Barbosa who however did not register the said sale with the Registry of Deeds of Quezon City. It appears that Therese Vargas was able to secure TCT No. 159487 x x x in her name on 06 November 1970 covering the subject property.

Meanwhile, appellant Vargas, III executed another Special Power of Attorney x x x in favor of appellant Montinola, Jr. with power among other things to sell the subject property for and in behalf of appellant Vargas, III. Thus, on 03 March 1986, during the effectivity of the mortgage contract with PNB, appellant Montinola sold the subject property to appellant IVQ for and in consideration of the amount of ₱450,000.00.[6]

Thereafter, the following incidents allegedly took place:

When appellant Vargas, III failed to pay his loan, PNB foreclosed the mortgage and in the public auction that followed, the subject property was sold to PNB.

A Certificate of Sale was issued in favor of PNB but the latter did not cause the registration of the certificate of sale right away.

Sometime in 1991, appellant Montinola, Jr. caused the filing of a Petition for Reconstitution of TCT No. 223019 which was granted in 1993. Consequently, TCT No. RT-76391 was issued, in the name of appellant Vargas, III, in lieu of TCT No. 223019. On 13 July 1993, the Certificate of Sale in favor of PNB was inscribed on appellant Vargas, III's new title.

On 17 February 1994, appellant Vargas, III executed a Deed of Sale with Assumption of Mortgage x x x wherein he sold to Lisan Realty and Development Corporation (Lisan Realty) the subject property with the latter assuming the loan balance with PNB.

On 23 June 1994, appellant IVQ, for and in behalf of defendant Vargas, III, redeemed the subject property from PNB and on 24 June

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[6] CA *rollo,* pp. 40-41.

Supreme Court E-Library

1994, the Certificate of Redemption was annotated at the dorsal portion of TCT No. RT-76390.

On 21. August 2000, Lisan Realty caused the annotation of an Affidavit of Adverse Claim x x x on TCT No. RT-76390.

Thereafter, appellant IVQ filed a Petition for Cancellation of Encumbrance x x x with the Regional Trial Court of Quezon City, Branch 220, docketed as LRC Case No. Q-17499 (04).

On 06 August 2003, the Register of Deeds of Quezon City cancelled TCT No. RT-76390 and in lieu thereof TCT No. 253434 was issued in the name of appellant IVQ.

On 11 February 2004, the Regional Trial Court of Quezon City, Branch 220 rendered a Decision x x x granting appellant IVQ's Petition for Cancellation of Encumbrance and ordering the cancellation of the annotation of the adverse claim on TCT No. 253434.

In August 2004, appellant IVQ instituted [a] Complaint x x x for unlawful detainer with the Metropolitan Trial Court of Quezon City, Branch 38 against several persons who were occupying the subject property without any right whatsoever. The case was docketed as Civil Case No. 38-33264.

On 26 October 2004, the Metropolitan Trial Court of Quezon City, Branch 38 rendered a Decision x x x in favor of appellant IVQ ordering the defendants therein to vacate the subject property.[7]

In a **Decision dated December 9, 2009,** the Court of Appeals affirmed the judgment of the trial court as it found that Barbosa was able to prove his ownership of the subject property. IVQ sought reconsideration of the appellate court's ruling, but the same was denied in the Court of Appeals **Resolution dated July 30, 2010.**

The Proceedings before the Court

IVQ then sought recourse from the Court.

IVQ instituted before this Court the instant petition for review on *certiorari* on August 20, 2010, which prayed for the reversal of the above rulings of the Court of Appeals. In a **Resolution dated September 29, 2010,** the Court initially denied IVQ's petition for

[7] *Id.* at 41-43.

Supreme Court E-Library

its failure to show that the Court of Appeals committed any reversible error in its assailed rulings.

IVQ filed a **Motion for Reconsideration** on the denial of its petition. To prove that its title to the subject property is genuine, IVQ averred that the Deed of Absolute Sale in favor of Jorge Vargas III was notarized by Atty. Jejomar C. Binay, then a notary public for Mandaluyong. IVQ attached to its motion for reconsideration, among others, a photocopy of a Certification dated October 8, 2010 from the Office of the Clerk of Court of the RTC of Pasig City that "ATTY. JEJOMAR C. BINAY was appointed Notary Public for and in the Province of Rizal for the year 1976" and that he "submitted his notarial reports for the period January, 1976 up to December, 1976." IVQ also attached a photocopy of the Deed of Absolute Sale in favor of Jorge Vargas III obtained from the records of the National Archives on October 14, 2010.

To prove that Barbosa's claim of ownership is spurious, IVQ attached to its motion for reconsideration the following documents:

(1) a photocopy of a Certification dated October 27, 2010 from the Office of the Bar Confidant of the Supreme Court that Espiridion J. Dela Cruz, the notary public who supposedly notarized the Deed of Absolute Sale in favor of Therese Vargas, is not a member of the Philippine Bar;

(2) a photocopy of the Certification dated October 19, 2010 from the National Archives of the Philippines that a copy of the Deed of Absolute Sale in favor of Therese Vargas is not extant in the files of said office;

(3) a Certification dated October 12, 2010 from the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Manila, stating that the notarial entries of Atty. Santiago R. Reyes in the Deed of Absolute Sale between Therese Vargas and Barbosa — Doc. No. 1947, Page 92, Book No. XIV, Series of 1978 —actually pertained to a different deed of sale;

(4) photocopies of pages 90, 91 and 92, Book XIV, Series of 1978 of Atty. Santiago R. Reyes's notarial records, which were reproduced from the National Archives on October 14, 2010, showing that the Deed of Absolute Sale between Therese Vargas and Barbosa was not found therein;

Supreme Court E-Library

(5) a photocopy of a Certification dated October 14, 2010 of the City Treasurer's Office of the City of Manila, stating that Residence Certificate No. A-423263 —the residence certificate number of Therese Vargas in the Deed of Absolute Sale in favor of Barbosa — was not among those allotted to the City of Manila; and

(6) a letter dated October 20, 2010 from Director Porfirio R. Encisa, Jr. of the LRA Department on Registration, explaining that the land survey number of FLS-2554-D in IVQ's TCT No. 253434 was a mere typographical error and it should have been FLS-2544-D.

In a Resolution dated December 15, 2010, the Court denied IVQ's Motion for Reconsideration.

Undaunted, IVQ filed a Second Motion for Reconsideration, arguing that it was able to submit new pieces of documentary evidence that surfaced for the first time when its Motion for Reconsideration was submitted by its new counsel. IVQ entreated the Court to consider the same in the higher interest of justice.

Barbosa opposed the above motion, countering that the same is a prohibited pleading. Barbosa maintained that it was impossible for IVQ to acquire ownership over the subject property as the latter was only incorporated on June 5, 1998. Thus, IVQ could not have bought the property from Jorge Vargas III on March 3, 1986 or subsequently redeemed the property in 1994.

In a Resolution dated June 6, 2011, the Court reinstated IVQ's petition and required Barbosa to comment thereon.

Barbosa moved for a reconsideration of the said resolution, citing IVQ's lack of legal personality when it supposedly purchased the subject property and IVQ's inconsistent statements as to how it acquired the same. The Court treated the above motion of Barbosa as his comment to IVQ's petition and required IVQ to file a reply thereto.

In its Reply, IVQ primarily argued that Barbosa did not bother to refute the allegations and the evidence on the spuriousness of his title and instead sought to divert the issue by attacking IVQ's corporate existence.

The Court, thereafter, gave due course to the petition and required the parties to submit their respective memoranda.

Supreme Court E-Library

In its memorandum, IVQ avers that while the evidence supporting its case surfaced for the first time after its petition was filed with this Court, peculiar circumstances involving the actuations of IVQ's former counsel and Barbosa's introduction of spurious documents warrant the suspension of procedural rules in the interest of justice. IVQ insists that Barbosa was not able to prove his claim by preponderance of evidence.

Upon the other hand, Barbosa contends that IVQ could not legally claim ownership of the subject property as this claim is anchored on a Deed of Absolute Sale executed by Jorge Vargas III on March 3, 1986 while IVQ was incorporated only on June 5, 1998. Barbosa also points out that the Deed of Absolute Sale in favor of IVQ was signed only by Jorge Vargas III's representative, Benito Montinola. There is no corresponding signature on the part of the vendee. Barbosa adopts entirely the findings of the RTC and the Court of Appeals that the sale in favor of Therese Vargas is the one to be legally sustained.[8] (Emphases supplied.)

In our **Resolution dated January 18, 2017**, we did not rule on the merits of the case and instead directed the Court of Appeals to receive evidence relative to the documents belatedly submitted by IVQ, as well as any other additional evidence that the parties may choose to submit on their behalf. This we found necessary in light of the ostensible materiality and relevancy of the documents submitted by IVQ and in order to verify the authenticity and veracity of the parties' documentary evidence.

We further instructed the parties to submit to the Court of Appeals: (1) a certified true copy of TCT No. 71507 that is registered in the name of Kawilihan Corporation, if possible; (2) evidence that would establish the character of the parties' possession of the subject property; and (3) information regarding the results of the investigation of the Task Force *Titulong Malinis* of the LRA as to the authenticity of TCT No. 159487 registered in the name of Therese Vargas and TCT No. 223019 registered in the name of Jorge Vargas III.

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[8] *Rollo,* pp. 549-552.

Supreme Court E-Library

The Report and Recommendation of the Court of Appeals

Before the Court of Appeals, the parties agreed to submit additional documentary evidence through the filing of memoranda and additional testimonial evidence in the form of judicial affidavits. They likewise manifested that they were open to the possibility of reaching an amicable settlement.

The Court of Appeals then submitted to the Court its Report and Recommendation, the relevant portions thereof state:

> On October 02, 2017, the parties' efforts to enter into an amicable settlement proved to be futile. The parties manifested that they could not agree on the terms of settlement that each proposed. Accordingly, this Court required IVQ to present its witness in support of its position. After Ian Pama, IVQ's lone witness, identified his judicial-affidavit and the documentary exhibits previously marked, counsel for Barbosa conducted his cross-examination. Thereafter, IVQ rested its case. No rebuttal evidence was proffered by Barbosa. On October 24, 2017, IVQ filed its Formal Offer of Exhibits.
>
> The parties failed to present a certified true copy of TCT No. 71507 registered in the name of Kawilihan Corporation as required by the Supreme Court.
>
> Meanwhile, [IVQ] offered in evidence the result of the investigation of the Task Force *Titulong Malinis* of the LRA regarding the authenticity of TCT No. 159487 registered in the name of Therese Vargas and TCT No. 223019 registered in the name of Jorge Vargas III. In the certified true copy of the Report dated September 01, 2016, the Investigation Team concluded that:
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> x x x x x x x x x
>
> Further, it is quite regrettable that the TFTM (Task Force *Titulong Malinis)* could not determine with certainty which of the two (2) titles is spurious [and] which is not in view of the fact that the traceback titles, the supporting documents, as well as the registry's record books are no longer available in the Registry of Deeds of Quezon City. x x x.
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> WHEREFORE, premises considered, it is respectfully recommended that the investigation of this case be terminated

Supreme Court E-Library

and that the same be deemed closed. Let a copy of this report be furnished the parties mentioned herein for their information.

x x x x x x x x x

RECOMMENDATION

After a careful examination of the records of the case and the additional evidence adduced by [IVQ], this Court finds that the Deed of Absolute Sale between Therese Vargas and [Barbosa] is indeed tainted with irregularity as to the manner of its notarization. Again, based on the certification, Atty. Santiago R. Reyes's Notarial Reports for the month of October 1978 shows that Doc. No. 1947, Book No. XIV, thereof refers to a document denominated as "Deed of Absolute Sale" executed by and between Francisco T. Lim and Teresita C. Narioca, Vendors and Santiago T. Co, Vendee, and not between Reuben Barbosa and Therese Vargas. Unfortunately, [Barbosa] failed to refute the same during the hearing. Thus, the same is deemed a private document and needs to be properly identified and its due execution proven. x x x

x x x x x x x x x

Notwithstanding, this Court still recommends for the dismissal of the petition pending before the Supreme Court.

Although the Deed of Absolute Sale was irregularly notarized, the same was properly identified and its due execution proven during the trial in the court *a quo*. During [Barbosa's] direct examination, he testified that he entered into a contract of sale with Therese Vargas as evidenced by a Deed of Absolute Sale, to wit:

x x x x x x x x x

Atty. Castillon, Jr.:

> Now, Mr. Witness, you said that you bought this property from Therese Vargas, do you have proof to show of the transaction you entered into with Therese Vargas when you acquired or bought this property?
>
> A: Yes, sir, I have also here the original of the Deed of Absolute Sale between Therese Velez vda. De Vargas and I.

Supreme Court E-Library

Atty. Castillon, Jr.:

> Witness hands to this representation, Your Honor, a copy (of) the Deed of Sale/Absolute Sale, this marked as our Exhibit "A". I believe, Your Honor, Atty. Mijares may again make some observations that this may not be a faithful reproduction because of some ball pen increase but we [will] again have it again xerox copy so we can present the faithful xerox copy.

Atty. Mijares:

> Except for the submarkings, Your Honor, admitted as faithful reproduction.

x x x x x x x x x

Counsel for [IVQ] even admitted to the genuineness of the document.

The trial court, therefore, was correct in admitting, as [Barbosa's] evidence, the Deed of Absolute Sale between Therese Vargas and Reuben Barbosa and in giving the same probative value. To reiterate, the same was properly identified and was duly authenticated during the trial of the case.

Anent the other certifications presented and formally offered by [IVQ] to show that the Deed of Absolute Sale between Jorge Vargas and Therese Vargas was improperly notarized, We recommend that the same be given of little, if not no value.

At the outset, this Court notes that these certifications are merely photocopies. Although, they were not objected to by [Barbosa] on such ground and this Court had accordingly admitted the same, this Court is not obliged to give them weight and probative value.

The transfer of the subject land between Jorge Vargas and Therese Vargas is already *fait accompli* (meaning, an accomplished or consummated act. The sale was consummated and a transfer certificate of title (TCT No. 159487) had already been issued in favor of Therese Vargas. Further, [Barbosa] had even secured a certification from the LRA, which was already presented and offered in evidence in the court *a quo,* confirming the validity of the issuance of Therese Vargas's title.

As things are, the Report of Task Force *Titulong Malinis* of the LRA marked as Exhibit "V" did not conclusively make a determination

regarding the authenticity of TCT No. 159487 registered in the name of Therese Vargas on one hand, and TCT No. 223019 registered in the name of Jorge Vargas III, on the other. Simply put, it failed to determine whether the titles of Therese Vargas and Jose Vargas III are genuine and authentic. It is, therefore, of little significance to the resolution of the case.

Finally, the other documentary evidence presented and offered by (IVQ] are insufficient to warrant a decision in its favor, either because these had already been presented before the court *a quo* or, even if they are newly offered in evidence, they are inadequate and could not overturn the Supreme Court's dismissal of [IVQ's] petition.

IN VIEW THEREOF, it is hereby recommended that [IVQ's] Second Motion for Reconsideration be **DENIED** for lack of merit[.][9]

The Ruling of the Court

We have perused the records of the case once again and we found the recommendation of the Court of Appeals well-taken. IVQ still failed to convince us to rule in its favor.

Secuya v. De Selma[10] reiterates that:

In an action to quiet title, the plaintiffs or complainants must demonstrate a legal or an equitable title to, or an interest in, the subject real property. Likewise, they must show that the deed, claim, encumbrance or proceeding that purportedly casts a cloud on their title is in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy. This point is clear from Article 476 of the Civil Code, which reads:

> "Whenever there is cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet title."
>
> "An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein."

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[9] *Id*. at 568-574.

[10] 383 Phil. 126, 134 (2000).

Supreme Court E-Library

We emphasize, to the point of being repetitive, that in this case, the Court of Appeals sustained the judgment of the RTC that granted Barbosa's petition for cancellation and quieting of title. The lower courts found that Barbosa was able to substantiate his title to the subject property, while IVQ failed to establish its claim of ownership thereto.

We initially resolved to dismiss the petition of IVQ that assailed the rulings of the lower courts in our Resolution dated September 29, 2010, but IVQ filed a Motion for Reconsideration whereby it attached **photocopies** of specific documents that ostensibly negated Barbosa's title to the subject property. On December 15, 2010, we denied IVQ's Motion for Reconsideration. IVQ then filed a Second Motion for Reconsideration, entreating us to examine the case again. On equitable grounds, we reinstated IVQ's petition.

Even if to the mind of the Court the documents belatedly submitted by IVQ were not newly-discovered evidence, we remanded the case to the Court of Appeals to conduct further proceedings on the case. Not only was this done to give IVQ the opportunity to formally offer in evidence the documents it brought to our attention and for Barbosa to refute them, but also to give the parties yet another chance to submit additional evidence in the interest of fairness and the proper disposition of the issues of this case.

Inexplicably, IVQ merely rehashed its previous arguments and still formally offered in evidence to the Court of Appeals mere **photocopies** of almost all of the documents it attached to its motion for reconsideration. Excepted from these are two documents, namely: (1) the Certification dated October 12, 2010 from the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Manila, stating that the notarial entries of Atty. Santiago R. Reyes in the Deed of Absolute Sale between Therese Vargas and Barbosa -Doc. No. 1947, Page 92, Book No. XIV, Series of 1978— pertained to a different deed of sale; and (2) the letter dated October 20, 2010 from LRA Director Porfirio R. Encisa, Jr., explaining that the FLS-2554-D in IVQ's TCT

No. 253434 was a mere typographical error and it should have been FLS-2544-D.

Additionally, IVQ attempted to introduce new documentary evidence relative to the character of its possession of the subject property, but the same likewise consisted of photocopied documents.

We find that the Court of Appeals cannot be faulted for not giving weight and probative value to the submitted documents that were mere copies. Given the significance and consequence of the original copies of the documents in the outcome of this case, the same should have been presented immediately to the Court or to the Court of Appeals. The fact that the originals were not so submitted is counter intuitive, dubious and even speaks of negligence on the part of IVQ.

The Court reiterated in *Philippine Banking Corporation v. Court of Appeals*[11] that:

> The Best Evidence Rule provides that the court shall not receive any evidence that is merely substitutionary in its nature, such as photocopies, as long as the original evidence can be had. Absent a clear showing that the original writing has been lost, destroyed or cannot be produced in court, the photocopy must be disregarded, being unworthy of any probative value and being an inadmissible piece of evidence. (Citations omitted.)

Moreover, we stressed in *Heirs of Prodon v. Heirs of Alvarez*[12] that:

> The primary purpose of the Best Evidence Rule is to ensure that the exact contents of a writing are brought before the court, considering that *(a)* the precision in presenting to the court the exact words of the writing is of more than average importance, particularly as respects operative or dispositive instruments, such as deeds, wills and contracts, because a slight variation in words may mean a great difference in rights; *(b)* there is a substantial hazard of inaccuracy in the human

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[11] 464 Phil. 614, 643 (2004).

[12] 717 Phil. 54, 66-67 (2013).

Supreme Court E-Library

process of making a copy by handwriting or typewriting; and *(c)* as respects oral testimony purporting to give from memory the terms of a writing, there is a special risk of error, greater than in the case of attempts at describing other situations generally. **The rule further acts as an insurance against fraud. Verily, if a party is in the possession of the best evidence and withholds it, and seeks to substitute inferior evidence in its place, the presumption naturally arises that the better evidence is withheld for fraudulent purposes that its production would expose and defeat**. Lastly, the rule protects against misleading inferences resulting from the intentional or unintentional introduction of selected portions of a larger set of writings. (Emphasis supplied; citations omitted.)

In this case, IVQ offered no valid reason for the non-production of the original copies of most of the documents it submitted before the Court of Appeals. Worse, in its Formal Offer of Exhibits[13] in said court, IVQ even claimed that **all** the original and certified true copies of the exhibits/documents enumerated therein were attached to and were appended to form part of the records of the case through the memorandum that IVQ submitted to the Court of Appeals. This is simply untrue. We have carefully gone through the documents annexed to said memorandum and found that almost all of them were mere photocopies. Given the foregoing circumstances, the Court of Appeals was justifiably cautious in doubting the credibility of the documents submitted by IVQ. That the same may have been tampered with or somehow altered in the process of being copied cannot be discounted.

As to the documents the certified true copies of which were offered in evidence before the Court of Appeals, the same still do not warrant the reversal of the RTC and the Court of Appeals rulings.

With respect to the certified true copy of the Certification dated October 12, 2010 from the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Manila, which stated that the notarial entries of Atty. Santiago R. Reyes in the Deed of Absolute Sale between Therese Vargas and Barbosa —Doc. No. 1947, Page 92, Book No. XIV, Series of 1978— pertained

[13] CA *rollo,* Vol. II, p. 756.

Supreme Court E-Library

to a different deed of sale, the same pertained to a possible defect in the notarization of the Deed of Absolute Sale between Therese Vargas and Barbosa. However, as pointed out by the Court of Appeals, the same was insufficient to prove IVQ's allegation that the said deed was fake and invalid.

As noted by the Court of Appeals, Barbosa testified on the genuineness and due execution of the Deed of Absolute Sale in his favor and he presented the original of said deed. The TSN of the case also bear out the fact that the then counsel of IVQ, Atty. Leovigildo Mijares, was shown the original copy of the deed and a photocopy thereof marked as Barbosa's Exhibit "A" and he admitted that the latter was a faithful reproduction of the original deed. IVQ was then bound by its counsel's admission.[14]

As to the letter dated October 20, 2010 from LRA Director Porfirio R. Encisa, Jr. that explains that the FLS-2554-D in IVQ's TCT No. 253434 was a mere typographical error, the same pertains to an entry in IVQ's TCT No. 253434 and does little to bolster IVQ's claim of ownership over the subject property. The correctness or incorrectness of the entries in a party's certificate of title covering a particular property does not directly translate to the validity or invalidity of said party's ownership or title to the property.

As the Court clarified in *Heirs of Clemente Ermac v. Heirs of Vicente Ermac*:[15]

> [O]wnership is not the same as a certificate of title. Registering a piece of land under the Torrens System does not create or vest title, because registration is not a mode of acquiring ownership. A certificate of title is merely an evidence of ownership or title over the particular property described therein. Its issuance in favor of a particular person does not foreclose the possibility that the real property may be co-owned with persons not named in the certificate, or that it may be held in trust for another person by the registered owner. (Citations omitted).

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[14] Records, Vol. I, pp. 294-295.

[15] 451 Phil. 368, 377 (2003).