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**SECOND DIVISION**

[G.R. No. 190057. October 17, 2022]

**SPOUSES ADOLFO B. VELARDE and ANTONINA T. VELARDE, SPOUSES ROMULO B. VELARDE and JEAN T. VELARDE, BELLA B. VELARDE, BENEDICTO B. VELARDE, ISABELLE V. DIAZ, and CARMELITA B. VELARDE,** *Petitioners*, *v.* **HEIRS OF CONCEPCION CANDARI,** *Respondents.*

**D E C I S I O N**

**LOPEZ, M., *J.*:**

"A duly executed contract [or instrument] carries with it the presumption of validity."[1] Claims adverse to such presumption grounded on fraud cannot be sustained by mere construction as fraud must be specifically alleged and proved in all cases. The party who impugns its regularity has the burden of presenting clear and convincing evidence of irregularity.[2]

This Court resolves the Petition for Review on *Certiorari*[3] filed under Rule 45 of the Revised Rules of Court (Rules), assailing the Decision[4] dated October 30, 2008 and the Resolution[5] dated September 29, 2009 of the Court of Appeals-Cebu City (CA) in CA-G.R. CV No. 72998.

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1 *Delfin v. Billones*, 519 Phil. 720, 732 (2006) [Per *J.* Tinga, Third Division].

2 *See Spouses Cruz v. Heirs of Alejandro So Hiong*, 842 Phil. 565, 569–570 (2018) [Per *J.* Peralta, Third Division]. *See also Delfin v. Billones, supra* note 1 at 732–735.

3 *Rollo*, pp. 10–27.

4 *Id.* at 28–51. Penned by Associate Justice Franchito N. Diamante, with the concurrence of Associate Justices Priscilla Baltazar-Padilla (retired Member of the Court) and Edgardo L. Delos Santos (retired Member of the Court).

5 *Id.* at 52–53. Penned by Associate Justice Franchito N. Diamante, with the concurrence of Associate Justices Florito S. Macalino and Edgardo L. Delos Santos (retired Member of the Court).

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## FACTS

Adolfo B. Velarde (Adolfo), married to Antonina T. Velarde; Romulo B. Velarde (Romulo), married to Jean T. Velarde; Bella B. Velarde; Benedicto B. Velarde (Benedicto); Isabelle V. Diaz; and Carmelita B. Velarde (Carmelita) (collectively, petitioners) are the legal heirs of Isagani S. Velarde (Isagani).[6]

In a notarized Deed of Sale with Right of Repurchase dated April 20, 1978, respondent Concepcion Candari (Concepcion) sold seven[7] parcels of land located in Aklan to Isagani with the right to repurchase within five years.[8] Concepcion failed to redeem the lots. Thus, in a notarized Deed of Quitclaim and Waiver of Rights[9] dated February 11, 1986, Concepcion relinquished absolute ownership of the lots[10] in favor of Isagani and petitioners as follows: (1) lots under Tax Declaration (TD) Nos. 2318 and 2319 for Isagani; (2) lots under TD No. 2315 for Carmelita; (3) lot under TD No. 2316 for Adolfo; (4) lot under TD No. 2317 for Romulo; and (5) lot under TD No. 10028 in favor of Benedicto.[11] Notably, in 1982, the lot conveyed to Adolfo is now identified as Lot No. 287 and registered under Original Certificate of Title (OCT) No. P-17480;[12] Romulo's is now identified as Lot No. 290 under OCT No. P-17483;[13] and Carmelita's is now identified as Lot No. 4280 under OCT No. P-17481.[14] Corresponding TDs[15] were also issued under Isagani's and petitioners' names.

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[6] *Id*. at 87.

[7] Lots covered by Tax Declaration Nos. 2314, 2315, 2316, 2317, 2318, 2319, and 10028; see Deed of Quitclaim and Waiver of Rights dated February 11, 1986, *id*. at 94.

[8] *Id*. at 30.

[9] *Id*. at 94–95.

[10] Lot under Tax Declaration No. 2314, which was also the subject of the Deed of Sale with Right of Repurchase dated April 20, 1978, was not relinquished to Isagani and petitioners in the Deed of Quitclaim and Waiver of Rights dated February 11, 1986; *id*.

[11] *Id*.

[12] *Id*. at 96.

[13] *Id*. at 97.

[14] *Id*. at 98.

[15] *Id*. at 88–93.

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The other lot subject of this controversy was acquired by Isagani from Concepcion's sister, Rizalina C. Villamon (Rizalina), through a notarized Deed of Absolute Sale[16] dated July 1, 1982.

Petitioners averred that after Isagani's death on February 22, 1987, Concepcion began to represent herself as the owner of the parcels of land by instituting tenants on portions of the vast lands, collecting rentals, and appropriating the lands' produce. Their demand upon Concepcion to desist from usurping their proprietary rights fell on deaf ears, prompting them to file a complaint for quieting of title and damages.[17]

Concepcion, on the other hand, denied having sold or relinquished ownership and possession of the properties to Isagani or petitioners. She intimated that she inherited the disputed properties from her father in 1977, and that she has never shared rentals/produce to Isagani or petitioners. She claimed that Isagani was merely her lessee, to whom she entrusted the TDs of all her properties for safekeeping and payment of realty taxes.[18] Hence, she was surprised when she learned about petitioners' claims.[19] She accused Isagani and petitioners of having obtained the deeds of conveyances, as well as the OCTs and TDs, by fraudulent means.[20] Concepcion also claimed that her sister, Rizalina, never sold her property to Isagani. Thus, as counterclaim, Concepcion asked for damages and the reconveyance of the properties to her.

In a Decision[21] dated July 5, 2001, the Regional Trial Court (RTC) of Culasi, Antique, Branch 13, granted the complaint for quieting of title. The RTC found that Concepcion's claims were unsubstantiated, while petitioners sufficiently proved their title to the properties by their testimonial and documentary evidence, thus:

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[16] *Id*. at 99.

[17] *Id*. at 31.

[18] *Id*. at 55.

[19] *Id*. at 32.

[20] *Id*. at 32–33.

[21] *Id*. at 54–87. Penned by Acting Presiding Judge Nery G. Duremdes.

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[J]udgment is hereby rendered in favor of [petitioners] and against [Concepcion], hereby:

(1) DECLARING [petitioners] as the true and rightful owners entitled to the possession of the six (6) parcels of land situated in Pandan, Antique and subject of the present case, and ORDERING [Concepcion] to vacate and deliver the material possession thereof to [petitioners];

(2) DISMISSING [petitioners'] claim and [Concepcion's] counterclaim for damages; and

(3) PRONOUNCING no cost.

SO ORDERED.[22]

However, on appeal, the CA sustained Concepcion's allegations of fraud, and consequently, ordered the cancellation of petitioners' OCTs and TDs, and the reconveyance of all the properties subject of the *pacto de retro* sale to Concepcion.[23] As regards the parcel acquired from Rizalina, the CA held that it was not the proper subject of the action for quieting of title since there was no showing that Concepcion's claim over it was "apparently valid."[24] In the assailed Decision[25] dated October 30, 2008, the CA disposed:

**WHEREFORE**, the present appeal is **GRANTED**. The ***DECISION*** of the [RTC] in Civil Case No. C-031 is hereby **REVERSED AND SET ASIDE**. *The Deed of Sale with Right of Repurchase and Deed of Quitclaim and Waiver of Rights* are both declared **NULL AND VOID**. [Petitioners] are **HEREBY ORDERED TO RECONVEY** to [Concepcion] the five parcels of land subject of the *Deed of Absolute Sale with Right of Repurchase*, within fifteen (15) days from the finality of this Decision, and to surrender to her, within the same period, the owner's duplicate copy of *[OCT] No. P-17480, P-17481[,] and P-17483* of the Registry of Deeds of the Province of Antique.

In the event that [petitioners] fail or refuse to execute the necessary deed of reconveyance as herein directed, the Clerk of Court of the [RTC] is **HEREBY ORDERED TO EXECUTE THE SAME** at the expense of [petitioners].

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[22] *Id*. at 87.

[23] *Id*. at 40–46.

[24] *Id*. at 38.

[25] *Id*. at 28–51.

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Finally, the Municipal Assessor of Pandan, Antique is also **ORDERED TO CANCEL** the Tax Declarations in the names of [petitioners] over **Lots No. 287, 290, 428, 6111 and the unirrigated riceland situated in Guia, Pandan, Antique with an area of 12,000 square meters** and in lieu thereof, **ISSUE** the tax declarations of these properties to [Concepcion].

**SO ORDERED**.[26] (Emphases and italics in the original; citation omitted)

Petitioners moved for reconsideration, but was denied in the assailed CA Resolution[27] dated September 29, 2009.

Hence, this Petition.

## ISSUES

Basically, petitioners assert ownership over the disputed properties and insist that Concepcion's acts of instituting tenants and receiving share from the produce of the land cloud their title. They also invoke the OCTs and TDs under their names, and argue that their legal title cannot be collaterally attacked in an action for quieting of title by unsupported allegations of fraud.[28]

Concepcion, on the other hand, prays for the dismissal of the Petition initially on procedural grounds. She posits that the Petition failed to comply with the requirements under Rule 7, Section 5[29] of the Rules since only three out of the eight petitioners

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[26] *Id*. at 49–50. See also p. 96.

[27] *Id*. at 52–53. Penned by Associate Justice Franchito N. Diamante, with the concurrence of Associate Justices Florito S. Macalino and Edgardo L. Delos Santos (retired Member of the Court).

[28] *Id*. at 18–20.

[29] SEC. 5. *Certification against forum shopping.* — The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he or she has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his or her knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he or she should thereafter learn that the same or

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signed the Verification and Certification against forum shopping; and there is no showing that the signatories were authorized by the other petitioners to sign on their behalf.[30] In a subsequent pleading,[31] Concepcion also argues that the consolidation of ownership with regard to the properties subject of the *pacto de retro* sale without compliance with Article 1607 of the New Civil Code (NCC) was illegal;[32] and maintains her imputation of fraud against Isagani and petitioners.[33]

From these arguments, the following issues remain to be resolved:

I. Whether the petition should be dismissed for failure of all the petitioners to sign the Verification and Certificate against Forum Shopping; and,

II. Whether the action for quieting of title should prosper.

**RULING**

Before all else, we acknowledge that the complete resolution of the issues presented before us requires a determination of facts, which the Court—not being a trier of facts—does not delve

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similar action or claim has been filed or is pending, he or she shall report that fact within five (5) calendar days therefrom to the court wherein his or her aforesaid complaint or initiatory pleading has been filed.

x x x x

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his or her counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

30 Comment; *rollo*, pp. 104–110.

31 Supplemental to Comment; *id*. at 112–118.

32 *Id*. at 113.

33 *Id*. at 114–116.

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into in appeals on *certiorari*. There are instances, however, when the Court may proceed to review factual questions along with the legal ones such as in this case, wherein the factual findings of the RTC and the CA are conflicting.[34]

*The Verification and Certification Against Forum Shopping substantially complied with the Rules.*

The issue on the failure of all the petitioners to sign the Verification/Certification is not novel and need not be belabored. We have consistently held that the requirement on "[v]erification is deemed substantially complied with when one who has ample knowledge to swear to the truth of the allegations in the x x x petition signs the verification[.]"[35] Similarly, "when all the x x x petitioners share a common interest and invoke a common cause of action x x x, the signature of only one of them in the certification against forum shopping substantially complies with the Rule."[36] Here, petitioners share a common interest and have similar claims on the properties. Their claims of ownership over the properties against Concepcion hinge upon the same set of documents, to *wit*: the Deed of Sale with Right of Repurchase, the Deed of Quitclaim and Waiver of Rights, and the OCTs and corresponding TDs in their names. Thus, contrary to Concepcion's argument, the petition is not dismissible merely because only three out of the eight petitioners signed the Verification/Certification.

*Petitioners' complaint actually constitutes an accion reivindicatoria.*

Petitioners' complaint may have been captioned as quieting of title, but an assiduous examination of petitioners' averments indubitably show that the remedy sought constitutes an *accion reivindicatoria*.

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[34] *Delfin v. Billones, supra* note 1 at 731.

[35] *Viloria v. Heirs of Pablo Gaetos*, G.R. No. 206240, May 12, 2021, *citing Altres v. Empleo*, 594 Phil. 246, 262 (2008) [Per *J.* Carpio Morales, *En Banc*].

[36] *Altres v. Empleo, supra*.

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An action to quiet title or remove clouds over the title is a special civil action specifically governed by Rule 63 of the Rules on declaratory relief and similar remedies. Distinguished from ordinary civil actions, the subject matter in special civil actions under Rule 63 is a deed, will, contract or other written instrument, statute, executive order or regulation, or ordinance. The issue is the validity or construction of documents; and the relief sought is the declaration of the parties' rights or duties *vis-à-vis*, the questioned documents. Being declaratory in nature, this remedy presupposes that there has been no breach or violation of the instruments involved, unlike in ordinary civil actions which necessitates the existence of a violation of a right as an element of a cause of action. Thus, generally, judgments in remedies of such nature do not entail any executional process as the only relief to be properly granted is a declaration of the rights and duties of the parties under an instrument.[37] Articles 476 and 477 of the NCC state:

> ART. 476. Whenever there is a 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 the title.
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> ART. 477. The plaintiff must have legal or equitable title to, or interest in the real property which is the subject-matter of the action. He need not be in possession of said property.

Parsed from these provisions, two indispensable requisites must concur for an action for quieting of title to prosper, namely: (1) the plaintiff has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on their title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.[38]

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[37] *Republic v. Hon. Mangotra*, 638 Phil. 353, 431 (2010) [Per *J.* Leonardo-de Castro, First Division].

[38] *Ocampo v. Ocampo, Sr.*, 813 Phil. 390, 403 (2017) [Per *J.* Velasco, Jr., Third Division]; and *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud*, 783 Phil. 536, 547–548 (2016) [Per *J.* Jardeleza, Third Division].

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Here, petitioners' cause of action is grounded upon their claims of ownership, which they argue to have been clouded by Concepcion's exercise of proprietary rights—instituting tenants and collecting rentals and products. What they perceive as clouds over their title were Concepcion's intrusive acts of dominion over the properties. In *Titong v. Court of Appeals*,[39] we emphatically ruled that physical intrusion is not a ground for quieting of title. With an allegation of a violation (physical intrusion) of a right (ownership), petitioners clearly do not seek a declaratory relief or mere removal of cloud over their title. Ultimately, they seek to recover full possession of the properties as an element of their ownership, which was disturbed by Concepcion's physical intrusion. Thus, petitioners' claims and arguments clearly speak of an *accion reivindicatoria*—a suit to recover full possession of a parcel of land as an element of ownership.[40]

We have consistently held that the true nature of the action is not determined by the caption of the pleading, but by the allegations it contain. The court should grant the relief warranted by the allegations, substantiated by proof, even if no such relief or a different relief is prayed for.[41] Verily, as the allegations in this case constitute an *accion reivindicatoria*, the court should determine ownership of the properties and award possession to the lawful owner,[42] even if the complaint prayed for the quieting of title. This was precisely the approach taken by the trial court.

There are two sets of properties involved in this case. *First*, the lots subject of the Deed of Sale with Right of Repurchase between Concepcion and Isagani. These properties were likewise the subject of the Deed of Quitclaim and Waiver of Rights executed

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[39] 350 Phil. 544 (1998) [Per *J.* Romero, Third Division].

[40] *Amoroso v. Alegre, Jr.*, 552 Phil. 22, 33–34 (2007) [Per *J.* Tinga, Second Division].

[41] *Torres v. Aruego*, 818 Phil. 524, 543 (2017) [Per *J.* Del Castillo, First Division], *citing Leonardo v. Court of Appeals*, 481 Phil. 520, 539 (2004) [Per *J.* Corona, Third Division].

[42] *Heirs of Alfonso Yusingco v. Busilak*, 824 Phil. 454, 461 (2018) [Per *J.* Peralta, Second Division].

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by Concepcion in favor of Isagani and petitioners, wherein Concepcion acknowledged not only her failure to repurchase, but also Isagani and petitioners' ownership and possession of the properties. *Second*, the lot subject of the Deed of Absolute Sale between Isagani and Rizalina. These properties are now declared under Isagani and petitioners' names for taxation purposes. As well, three of the parcels of land, which were the objects of the *pacto de retro* sale, are now covered by the OCTs issued by the Register of Deeds of Antique under petitioners' names, to wit: OCT No. P-17480 (Adolfo); OCT No. P-17483 (Romulo); and OCT No. P-17481 (Carmelita). Petitioners assert ownership over these properties as Isagani's heirs, as assignees in the quitclaim and waiver of rights, and as registered owners.

To support their claim, petitioners presented the duly notarized deeds of conveyances. Concepcion, however, denies knowledge of these deeds, and imputes fraud against Isagani and petitioners in obtaining title to the properties. She claims that Isagani abused her trust when she left the TDs of all her properties to him. As regards the property from Rizalina, Concepcion insists that no sale took place as well between Isagani and Rizalina.

In ruling for Concepcion, the CA found the following circumstances as "hints of fraud and irregularity"[43] or "indices of [petitioners'] fraudulent maneuvers"[44] to acquire the properties subject of the *pacto de retro* sale: (1) there was no proper consolidation of ownership over the lots subject of the sale with repurchase as required under Article 1607[45] of the NCC, *i.e.*, through judicial order; (2) the Deed of Quitclaim and Waiver of Rights was executed more than two years after the expiration of the redemption period, and in favor of petitioners who are not the vendees *a retro*; and (3) petitioners' OCT's were issued in 1982, *i.e.*, before the expiration of the agreed redemption period

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[43] *Rollo*, p. 42.

[44] *Id*. at 44.

[45] ART. 1607. In case of real property, the consolidation of ownership in the vendee by virtue of the failure of the vendor to comply with the provisions of Article 1616 shall not be recorded in the Registry of Property without a judicial order, after the vendor has been duly heard.

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in 1983 and even before Concepcion's quitclaim and waiver of rights in 1986.[46]

The CA was mistaken.

Article 1607 of the NCC states:

> ART. 1607. In case of real property, the consolidation of ownership in the vendee by virtue of the failure of the vendor to comply with the provisions of Article 1616 **shall not be recorded in the Registry of Property without a judicial order, after the vendor has been duly heard.** (Emphasis supplied)

Indeed, the provision requires a judicial order before the consolidated title in a *pacto de retro* sale may be registered in the Registry of Property. Such requirement was devised as a counter measure to the prevalent practice of simulating *pacto de retro* sales only to circumvent usury laws or the prohibition against *pactum commissorium* arrangements,[47] *i.e.*, the automatic appropriation by the creditor of the thing mortgaged or pledged in the event of non-payment of the principal obligation. Precisely, to that end, the law requires courts to determine the true agreement between the parties or the genuineness of the stipulations in a *pacto de retro* sale. It goes without saying then that, without such judicial determination, it is premature to declare the real intentions of the parties, especially so to conclude that fraud attended the execution of a *pacto de retro* sale. Contrary to the CA's conclusion, thus, mere non-compliance with Article 1607 is not proof of fraud that would defeat the vendee *a retro*'s title to the properties sold.

On that score, general policies on judicial efficiency and economy, and avoidance of repetitive suits impel this Court to proceed with the required determination under Article 1607 instead of requiring the parties to undergo the same judicial process which the proceedings below have already accomplished.

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[46] *Rollo*, pp. 40–44.

[47] NEW CIVIL CODE, ART. 2088. The creditor cannot appropriate the things given by way of pledge or mortgage, or dispose of them. Any stipulation to the contrary is null and void.

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Certainly, the rationale behind Article 1607 has been served in these proceedings—Concepcion, the vendor *a retro*, was given due opportunity to be heard; and the records of this case are sufficient for this Court to write *finis* the issue on the genuineness of the *pacto de retro* sale. Moreover, it is important to consider that this case has been pending for more than 28 years since the filing of the complaint before the RTC. Any further delay would only cause undue prejudice to the parties.[48]

Verily, records show that the Deed of Sale with Right of Repurchase and the Deed of Quitclaim and Waiver of Rights, wherein Concepcion acknowledged her failure to redeem, as well as Isagani's and petitioners' ownership and possession of the properties, were duly notarized documents. Notably, Concepcion alleged nothing against the true intention of the parties as stipulated in the *pacto de retro* sale. Instead, she denies the very existence of the deeds on the ground of fraud. But her claim of fraud starkly lacks specificity and proof. The RTC's observation is illuminating, to *wit*:

> [Concepcion's] entire testimony [was] interlaced with the stereotyped answers in varying negative forms. [A]side from her testimony that **she never sold** five (5) of the disputed parcels of land to [Isagani], or that **she cannot remember having executed** a DEED OF QUITCLAIM AND WAIVER OF RIGHTS dated February 11, 1986, or that **her sister, [Rizalina], never sold** the sixth disputed parcel of land to [Isagani], [Concepcion] also declared that **she does not know** that Lots Nos. 287 and 290 are declared in the names of [Isagani] and [Romulo], and **neither does she know** that parcel three (3) is declared in the name of [Carmelita], nor that parcels four (4) and five (5) are declared in the name of [Isagani] (TSN, Feb. 10, 1999, Pp. 15-19). She also said that **she does not know** whether one or all six (6) parcels of land have already been titled in the name of [Isagani] or his heirs (TSN, Feb. 10, 1996, Pp. 20-21). She likewise stated that **she does not know** the wife of [Isagani] x x x **nor does she know** [petitioners] (TSN, April 29, 1999, P. 17). Then, when confronted with certain receipts purportedly signed or witnessed by her, she said **she cannot remember** having so witnessed. x x x.

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[48] *Chiquita Brands, Inc. v. Judge Omelio*, 810 Phil. 497, 528–529 (2017) [Per *J.* Leonen, Second Division].

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It is most glaring that the testimony of [Concepcion] was punctuated, in many respects, by mere denials, rife with naked, unsubstantiated responses of not knowing, or not remembering a fact or a person, or not having performed an act. x x x.

x x x x

**The bare denials of [Concepcion]—that she never sold five (5) of the six (6) disputed parcels of land, and that [Isagani] never purchased the sixth parcel of land from [Rizalina]—cannot prevail over the affirmative testimonies of [petitioners Adolfo, Romulo], and their witnesses, which are supported by documents x x x to the effect that [petitioners] acquired ownership of the properties through public instruments.**[49] (Emphasis supplied)

In this light, we cannot agree with the CA in resorting to inference and construction to sustain Concepcion's claim of fraud. We must emphasize, fraud is not presumed;[50] it cannot be demonstrated by mere construction, but must be proven by the party alleging it in all cases.[51] In contrast, notarial documents are entitled to full faith and credit upon its face. They enjoy the presumption of regularity, and are *prima facie* evidence of the facts stated therein, which can be overturned only by evidence to the contrary that is clear and convincing—even preponderant evidence does not suffice.[52] Thus, absent clear and convincing evidence of fraud, the authenticity and due execution of the notarized deeds must be upheld.

Considering Concepcion's failure to impugn the conveyance under the *pacto de retro* sale, the case presents no more basis to invalidate the OCTs issued to petitioners. "The essence of a *pacto de retro* sale is that title and ownership of the property sold are immediately vested in the vendee *a retro*, subject [only] to the

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[49] *Rollo*, pp. 78–81.

[50] *Spouses Ramos v. Obispo*, 705 Phil. 221, 230 (2013) [Per J. Villarama, Jr., First Division].

[51] *Delfin v. Billones, supra* note 1 at 735.

[52] *Heirs of Spouses Angel Liwagon and Francisca Dumalagan v. Heirs of Spouses Demetrio and Regina Liwagon*, 748 Phil. 675, 686 (2014) [Per J. Villarama, Jr., Third Division].

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resolutory condition of repurchase by the vendor *a retro* within the stipulated period."[53] Once the vendor *a retro* fails to redeem the property within the agreed period, absolute ownership is vested upon the vendee *a retro* by operation of law.[54] Here, as agreed upon under the Deed of Sale with Right of Repurchase, Concepcion had five years or until 1983 to repurchase the properties, but as admitted in the quitclaim and waiver of rights, she failed to do so.[55] Without anything more required from both parties, thus, irrevocable title to the properties were automatically transferred to Isagani in 1983 since the resolutory condition was not fulfilled.[56] For instance, our pronouncement in *Spouses Cruz v. Leis*,[57] is highly-instructive:

> **It bears stressing that notwithstanding Article 1607, the recording in the Registry of Property of the consolidation of ownership of the vendee is not a condition *sine qua non* to the transfer of ownership.** Petitioners are the owners of the subject property since [none of the vendors with right to repurchase] redeemed the same within the one-year period stipulated in the "*Kasunduan*." The essence of a *pacto de retro* sale is that title and ownership of the property sold are immediately vested in the vendee *a retro*, subject to the resolutory condition of repurchase by the vendor *a retro* within the stipulated period. **Failure thus of the vendor *a retro* to perform said resolutory condition vests upon the vendee by operation of law absolute title and ownership over the property sold. As title is already vested in the vendee *a retro*, his failure to consolidate his title under Article 1607 of the Civil Code does not impair such title or ownership**

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[53] *Spouses Gregorio De Guzman, Jr. and Corazon Quinto v. Court of Appeals*, 240 Phil. 666, 674–675 Phil. (1987) [Per J. Fernan, Third Division].

[54] *Vda. de Rigonan v. Derecho*, 502 Phil. 202, 216 (2005) [Per J. Panganiban, Third Division]; *Spouses Gregorio De Guzman, Jr. and Corazon Quinto v. Court of Appeals, id*.; and NEW CIVIL CODE, ART. 1601. Conventional redemption shall take place when the vendor reserves the right to repurchase the thing sold, with the obligation to comply with the provisions of Article 1616 and other stipulations which may have been agreed upon.

[55] *Rollo*, p. 94.

[56] *Spouses Gregorio De Guzman, Jr. and Corazon Quinto v. Court of Appeals, supra* note 53 at 674–675.

[57] 384 Phil. 303 (2000) [Per J. Kapunan, First Division].

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**for the method prescribed thereunder is merely for the purpose of registering the consolidated title.**[58] (Emphasis supplied; citation omitted)

Consequently, as Isagani's heirs, petitioners hold an equitable title over the properties,[59] which justifies the issuance of the OCTs in their names. This conclusion is confirmed by the Deed of Quitclaim and Waiver of Rights duly executed by Concepcion, wherein she did not only acknowledge her failure to repurchase the properties, but also, she categorically admitted that Isagani and petitioners were already the true owners and possessors of the registered properties.[60] What is more, Concepcion also recognized the TDs issued in petitioners' names.[61] Hereunder are the excerpts of Concepcion's categorical recognition of Isagani's and petitioners' rights in the Deed of Quitclaim and Waiver of Rights, made in the presence of two instrumental witnesses,[62] *viz.*:

> That [parcels of land covered by TD Nos. 2314, 2315, 2316, 2317, 2318, 2319, and 10028] were sold by [Concepcion] to [Isagani] by virtue of a Deed of Sale with Right to Repurchase, on April 20, 1978 x x x, which document was executed before Notary Public Nicanor Tesorero, at Makato, Aklan and entered in his Notarial Register as Doc. No. 19; Page 6; Book I; Series of 1978;
>
> That period for redemption of the above-described properties having elapsed and for reason of other valuable consideration, [Concepcion] hereby waive and quitclaim [*sic*] in favor of [Isagani], the above-described properties under [TD] Nos. 2318 and 2319, which properties were formerly declared under [TD] Nos. 10621 and 10636, and indicated as parcel[s] 4 and 6 of the aforementioned Deed of Sale with Right to Repurchase, in favor of [Isagani];

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[58] *Id.* at 313.

[59] *See Heirs of Herminio Marquez v. Heirs of Epifania M. Hernandez*, G.R. No. 236826, March 23, 2022 [Per J. Hernando, Second Division] and *Amoroso v. Alegre, Jr., supra* note 40.

[60] *Rollo*, p. 94.

[61] *Id.*

[62] *Id.*

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**That [Concepcion] hereby acknowledge *[sic]* that [Isagani] is now the absolute true owner and possessor of said parcels of land as declared under [TD] Nos. 2318 and 2319**;

**That [Concepcion] further states that the parcels of land as covered by [TD] No. 2315 is now own *[sic]* and possess *[sic]* by [Carmelita]** and hereby waive[s] whatever rights and interest she might have over said property in favor of said [Carmelita]; **that [TD] No. 2316 is now own [*sic*] and possess [*sic*] by [Adolfo,]** and [Concepcion] waives whatever rights and interest she might have over said property in favor of said [Adolfo]; **that [TD] No. 2317 is now own [*sic*] and possess *[sic]* by [Romulo,]** and [Concepcion] likewise waives whatever rights and interest she might have over said property in favor of said [Romulo]; and finally, that [TD] No. 10028 is now own [*sic*] and possess [*sic*] by [Benedicto,] and [Concepcion] likewise waives whatever rights and interest she might leave over said property in favor of said [Benecdicto];

**That [Concepcion] finally states, that the properties covered by [TD] Nos. 2315, 2316, 2317, and 10028 are now covered by [TD] No. 226 in the name of [Carmelita]; [TD] No. 224 in the name of [Adolfo]; [TD] No. 225 in the name of [Romulo;] and [TD] No. 66 in the name of [Benedicto], respectively, who are now the true owner[s] and possessor[s,] respectively[,] of [the] above-described properties[.]**[63] (Emphasis supplied)

It is of no moment that the Deed of Quitclaim and Waiver of Rights was executed only after more than two years from the lapse of the redemption period, and in favor of petitioners who are not vendees *a retro.* We stress, by the very nature of a *pacto de retro* sale, ownership is automatically vested upon the vendee *a retro* by operation of law when the vendor *a retro* failed to exercise the right to redeem the properties. Inevitably, the vendor *a retro* no longer owns the property sold at that point. Thus, subsequent conveyance of the unredeemed properties through quitclaim and waiver of rights was, improper, unnecessary, and a mere surplusage.[64] The irrevocable title of petitioners' predecessor-in-interest, Isagani, remained intact with or without such quitclaim and waiver.

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[63] *Id.*

[64] *See Spouses Gregorio De Guzman, Jr. and Corazon Quinto v. Court of Appeals, supra* note 53.

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As well, at this point, it is irrelevant to consider that the OCTs were issued before the expiration of the redemption period since petitioners have sufficiently proved in these proceedings their equitable title over the properties. In any case, well-settled is the rule that registration does not create or vest title as it is not a mode of acquiring ownership.[65] It is merely the evidence of title. Our land registration laws do not give the holder any better title than what he or she actually has. Conversely, registration is not a convenient means to divest ownership rights duly vested through legal modes of acquiring ownership[66] such as in this case by operation of law. Therefore, Isagani's irrevocable title remained undefeated by such premature registration.

Finally, anent the property subject of the Deed of Absolute Sale between Isagani and Rizalina, we likewise find no basis to invalidate the conveyance. Concepcion's bare allegation against the existence and due execution of the deed cannot prevail over the *prima facie* full faith and credit accorded to it as a notarial document.[67] It is well to note that while Concepcion denies the execution of the deed, her signature appears on its face as a witness to the sale.[68]

In all, this Court finds sufficient evidence that supports petitioners' claim of ownership against Concepcion. The duly executed deeds of conveyances, which were not overturned by Concepcion's unfounded allegations of fraud, proved Isagani's title over the properties. Hence, as Isagani's heirs, petitioners are entitled to full ownership over the disputed properties.[69]

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[65] *Gatmaytan v. Misibis Land, Inc.*, G.R. No. 222166, June 10, 2020 [Per J. Caguioa, First Division].

[66] NEW CIVIL CODE. ART. 712. Ownership is acquired by occupation and by intellectual creation. Ownership and other real rights over property are acquired and transmitted by law, by donation, by testate and intestate succession, and in consequence of certain contracts, by tradition. They may also be acquired by means of prescription.

[67] *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud, supra* note 38.

[68] *Rollo*, p. 99.

[69] *See Heirs of Herminio Marquez v. Heirs of Epifania M. Hernandez, supra* note 59 and *Amoroso v. Alegre, Jr., supra* note 40.

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**ACCORDINGLY,** the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated October 30, 2008 and the Resolution dated September 29, 2009 of the Court of Appeals-Cebu City in CA-G.R. CV No. 72998 are **REVERSED**. The Decision dated July 5, 2001 of the Regional Trial Court of Culasi, Antique, Branch 13, in Civil Case No. C-031 is **REINSTATED**. Petitioners Spouses Adolfo B. Velarde and Antonina T. Velarde, Spouses Romulo B. Velarde and Jean T. Velarde, Bella B. Velarde, Benedicto B. Velarde, Isabelle V. Diaz, and Carmelita B. Velarde are declared as the true and rightful owners entitled to the possession of the disputed properties.

**SO ORDERED.**

*Leonen, S.A.J. (Chairperson), Lazaro-Javier, J. Lopez,* and *Kho, Jr., JJ.*, concur.

**APPEARANCES OF COUNSEL**

*Avelino E. Badillo, Jr.* for petitioners.
*Benjamin S. Candari, Jr.* for respondents.