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THIRD DIVISION

[G.R. No. 115788. September 17, 1998]

SPS. SONYA & ISMAEL MATHAY, JR., *petitioners, vs.* **HON. COURT OF APPEALS, SPS. TEODULFO & SYLVIA ATANGAN, SPS. AGUSTINA & AMOR POBLETE, SPS. EDUARDO & FELICISIMA TIRONA,** *respondents.*

SYNOPSIS

These are three (3) separate cases filed by different parties against the spouses Sonya Mathay and Ismael Mathay, Jr.

Civil Case No. TM-175, filed by Spouses Teodulfo T. Atangan and Silvia L. Atangan against the Mathay spouses and the Register of Deeds of Cavite, involved two parcels of land situated in Tanza, Cavite, covered by TCT No. T-195350 covering Lot No. 2186-A, and TCT No. T-195351, covering Lot No. 2186-C, issued in the name of the Atangan spouses.

Civil Case No. TM-180, filed by Spouses Agustina Poblete and Amor Poblete against the Mathay spouses and the Register of Deeds of Cavite, for annulment of title and recovery of possession, involved a parcel of land situated in Tanza, Cavite, covered by TCT Nos. T-192532 registered in the name of Juana Batallones and Gaudencio Quimio per Deed of Conditional Sale dated December 28, 1987.

Civil Case No. TM-206, filed by Spouses Eduardo and Felicisima Tirona, et al. against the Mathay spouses for quieting of title, annulment of title and recovery of possession with damages, involved a parcel of land which was subdivided into eight lots.

After trial on the merits, the lower court rendered a decision in favor of the Mathay spouses against the plaintiffs in the three consolidated cases. On appeal, the Court of Appeals reversed the decision of the lower court. Hence, the instant petition.

Petitioners, the Mathay spouses, claimed that they were buyers in good faith, as their title, TCT No. 111070, the derivative

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title of their TCT T-113047, appeared to be free from any encumbrance; that a person dealing on a registered land may safely rely on the correctness of the covering certificate of title and is not required to go beyond the cetificate of title to determine the condition of the property.

The Supreme Court held that petitioners cannot be categorized as purchasers in good faith. Prior to the fencing of the subject land, neither the Spouses Mathay nor their predecessors-in-interest ever possessed the land. At the time the property was sold to petitioners, the private respondents were not only in actual possession of the same but also built their houses thereon, cultivated it and were in full enjoyment of the produce and fruits gathered therefrom. Not being innocent purchasers for value, petitioner's reliance on Article 1544 of the New Civil Code is misplaced as the documents from which their title emanated were questionable.

The circumstances surrounding the execution of the Deed of Absolute Sale of the property in favor of the petitioners spouses by their predecessors-in-interest beclouded the issuance of the title, TCT No. 113047. The said Deed did not comply with legal formalities and was not duly notarized. To bolster their submission that their title is genuine and authentic, private respondents introduced several documentary evidence and also presented officials concerned and the caretakers of the said documents. On the other hand, petitioners utterly failed to discharge the burden of proving the sustainability of their posture. Worse, the title of their predecessors-in-interest relied upon by petitioners has been shown by preponderance of evidence to be the product of forgery.

Judgment affirmed.

SYLLABUS

1. **CIVIL LAW; SPECIAL CONTRACTS; SALE; PURCHASER IN GOOD FAITH; CONSTRUED.**— A purchaser in good faith and for value is defined as "one who buys property of another, without notice that some other person has a right to, or interest in, such property and pays a full and fair price for the same at the time of such purchase, or before he has notice of the claims or interest of some other person in the property."

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As a rule, he who asserts the status of a purchaser in good faith and for value, has the burden of proving such assertion. This *onus probandi* cannot be discharged by mere invocation of the legal presumption of good faith, *i.e.*, that everyone is presumed to act in good faith."

2. **ID.; ID.; ID.; ID.; FAILURE OF PROSPECTIVE BUYER TO TAKE SUCH PRECAUTIONARY STEPS WOULD MEAN NEGLIGENCE ON HIS PART AND WOULD THEREBY PRECLUDE HIM FROM CLAIMING OR INVOKING THE RIGHT OF A PURCHASER IN GOOD FAITH.**— Here, petitioners cannot be categorized as purchasers in good faith. Prior to the fencing of subject land, neither they (Mathays) nor their predecessors-in-interest (*Banayo and Pugay*) ever possessed the same. In fact, at the time the said property was sold to petitioners, the private respondents were not only in actual possession of the same but also built their houses thereon, cultivated it and were in full enjoyment of the produce and fruits gathered therefrom. Although it is a recognized principle that a person dealing on a registered land need not go beyond its certificate of title, it is also a firmly settled rule that where there are circumstances which would put a party on guard and prompt him to investigate or inspect the property being sold to him, such as the presence of occupants/tenants thereon, it is, of course, expected from the purchaser of a valued piece of land to inquire first into the status or nature of possession of the occupants, *i.e.*, whether or not the occupants possess the land *en concepto de dueño*, in concept of owner. As is the common practice in the real estate industry, an ocular inspection of the premises involved is a safeguard a cautious and prudent purchaser usually takes. Should he find out that the land he intends to buy is occupied by anybody else other than the seller who, as in this case, is not in actual possession, it would then be incumbent upon the purchaser to verify the extent of the occupant's possessory rights. The failure of a prospective buyer to take such precautionary steps would mean negligence on his part and would thereby preclude him from claiming or invoking the rights of a "purchases in good faith."

3. **ID.; ID.; ID.; ID.; PREFERENTIAL RIGHT IS PREMISED ON GOOD FAITH.**— Consequently, not being "innocent purchasers for value," within legal contemplation, petitioners' reliance on Article 1544 of the New Civil Code is misplaced.

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Such stance of theirs lacks legal and factual basis. The fundamental premise of preferential rights under the law is *good faith*. Viewed in proper perspective, we uphold the finding by the Court of Appeals that the petitioners cannot invoke Art. 1544 of the Civil Code in view of the questionable documents from which their title emanated. As the Court of Appeals ratiocinated: "We think the applicable rule as stated in *Baltazar vs. Court of Appeals*, No. L-78728, December 8, 1988, 168 SCRA 334, is that as between two persons both of whom are in good faith and both innocent of any negligence, the law must protect and prefer the lawful holder of registered title over the transferee of a vendor bereft of any transmissible rights. Under the foregoing principle derived from the above case law, the Mathays have no rights as against plaintiffs-appellants, their recourse is against plaintiffs-appellants, their recourse is against their vendors Banayo and Pugay." The aforesaid ruling of the Court of Appeals accords with the Latin maxim: *nemo potest plus juris ad alium transferre quam ipse habet*. "No one can transfer a greater right to another than he himself has." Thus, in *Calalang vs. Register of Deeds of Quezon City*, this Court held: "Needless to state, all subsequent certificates of title including petitioner's titles are void because of the legal truism that *the spring cannot rise higher than its source*. The law must protect and prefer the lawful owner of registered title over the transferee of a vendor bereft of any transmissible rights." In sum, "defective titles cannot be upheld against the unblemished titles of the private respondents."

4. **ID.; LAND REGISTRATION; CERTIFICATE OF TITLE; NOT CONCLUSIVE EVIDENCE OF TITLE IF IT IS SHOWN THAT THE SAME LAND HAD ALREADY BEEN REGISTERED AND AN EARLIER CERTIFICATE FOR THE SAME IS IN EXISTENCE.**— Petitioners further submit that requiring them to inquire beyond the face of the torrens title defeats the primordial objective of the torrens system, which is that a person dealing on registered land has the right to rely on the torrens title. But "a certificate is not conclusive evidence of title if it is shown that the same land had already been registered and an earlier certificate for the same is in existence." In the case at bar, as borne out by pertinent records, the private respondents obtained their rights and title from TCT No. T-85866, which was registered on August 9, 1976 under the name of Heirs of Onofre Batallones and Patronillo Quimio.

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On the part of petitioners, their supposed title originated from a spurious title of Pedro Banayo and Pablo Pugay illegally registered on February 28, 1980. So also, where two *transfer* certificates of title have been issued on different dates, to two different persons, for the same parcel of land, even if both are presumed to be title holders in good faith, it does not necessarily follow that he who holds the earlier tile should prevail. On the assumption that there was regularity in the registration leading to the eventual issuance of subject transfer certificates of title, the better approach is to trace the *original* certificates from which the certificates of title in dispute were derived. Should there be only one common *original* certificate of title, as in this case under consideration, the *transfer* certificate issued on an earlier date along the line must prevail, absent any anomaly or irregularity tainting the process of registration.

APPEARANCES OF COUNSEL

Elmor P. Orajay for petitioners.

Tinoco Tinoco & Associates collaborating counsel for petitioner.

Franco L. Loyola for private respondents.

D E C I S I O N

PURISIMA, *J.*:

At bar is a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court, seeking to set aside the Decision[1] of the Court of Appeals[2] dated November 18, 1993 in CA-G.R. CV No. 37902, reversing the Decision[3] dated March 30, 1992 in Civil Case Nos. TM-175, 180 and 206 of Branch 23,[4] Regional Trial Court of Trece Martires City, Province of Cavite.

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[1] *Rollo*, pp. 34-80.

[2] Fourth Division, composed of Associate Justices Corona Ibay-Somera (*ponente*), Nathanael O. De Pano, Jr., (Chairman), and Asaali S. Isnani (*member*).

[3] "Annex A", CA Original *Rollo*.

[4] Presided by Judge Ramon Anonuevo.

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The antecedent facts which gave rise to private respondents' complaints are summarized in the Decision of the lower court, as follows:

"*Civil Case No. TM-175* entitled "Spouses Teodulfo T. Atangan and Silvia [sic] L. Atangan *vs.* Spouses Sonya Mathay and Ismael Mathay, Jr., and the Register of Deeds of Cavite," involves (2) [sic] parcels of land situated in Tanza, Cavite, covered by Transfer Certificate of Title Nos. T-195350 covering Lot No. 2186-A, issued by the Office of the Register of Deeds of Cavite in the name of Spouses Teodulfo T. Atangan and Silvia [sic] L. Atangan, and TCT No. T-195351, covering Lot No. 2186-C, issued in the name of Silvia [sic] L. Atangan and Teodulfo T. Atangan, on July 24, 1985.

PLAINTIFFS allege that:

1) they are the registered owners of two (2) parcels of land situated in Tanza, Cavite having purchased the same from Spouses Tomas Lucido and Eustaquia Villanueva as evidenced by a Deed of Sale; 2) they were issued TCT Nos. T-195350 and T-195351; 3) the vendors, spouses Tomas Lucido and Eustaquia Villanaueva were also issued TCT Nos. T-192527 and T-192529 by the Register of Deeds of Cavite, which were cancelled in favor of the plaintiffs; 4) vendors' titles which were transferred to plaintiffs were obtained by virtue of the decision in Civil Case No. NC-709 entitled Tomas Lucido *vs.* Juana Onate Batallones and Petronilla C. Quimio, Director of Lands, and Registers (sic) of Deeds of Cavite; 5) the heirs of Onofre Batallones and Norberto Quimio are the vendees of the said lands from the Bureau of Lands as evidenced by a Certification issued by Adelwisa P. Onga, (sic) Record Officer of the District Land Office of Trece Martires City; 6) the sale of the said parcels of land from the Bureau of Lands in favor of the heirs of Batallones and Quimio was also evidenced by a Deed of Conveyance duly issued by Bureau of Lands; 7) from the time they obtained titles of the two parcels of land [they] have taken possession and paid the corresponding realty property taxes; 8) defendants have enclosed a portion of said property with a fence and occupied 23,800 square meters without the consent and will of plaintiffs; 9) plaintiffs have learned that defendants as vendees have also issued title covering the same land in the name of the plaintiffs under TCT No. T-113047; 10) the titles issued to defendants was (sic) the product of forgery because it was based on an alleged TCT No. T-3444 in favor of Pedro Banayo and Pablo Pugay of Trece Martires City who have no right whatsoever on the real estate in

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question; 11) upon investigation, it was certified by the Bureau of Lands that the said titles were falsified and forged because alleged Deed No. V-12918 was issued to one Jack C. Callado for Lot 18, Block 56, Tala Estate situated in Caloocan City and there was no record in the Bureau of Lands that Deed No. V-12918 was issued for Lot 2886, S.C. Malabon Estate, Cavite in favor of Pedro Banayo and Pablo Pugay from whom defendants have allegedly acquired title over the said property; 12) considering that the title of the defendants have no basis in law and fact and that the same was illegally, unlawfully and maliciously issued by the Register of Deeds on the basis of forged and falsified and none [sic] existing documents as basis for the issuance thereof, the same may be cancelled and defendants have no right to take possession of the real properties thereon including the portion pertaining to the herein plaintiffs consisting of 23,800 square meters, more or less; 13) in view of bad faith, illegal and unlawful actuations of the defendants in obtaining titles over the property in question thru forged and falsified documents, plaintiffs suffered sleepless nights, anxiety, mental anguish for which they are entitled to claim for moral damages in the sum of ₱100,000.00; 14) despite repeated demands from the plaintiffs for the defendnats (sic) to desist from enclosing the titled property with a fence, the latter without any lawful right insisted and actually closed their property with a fence, causing irreparable damage and prejudice to the plaintiffs; 15) in view of the illegal, unlawful, malicious and bad faith of the defendants and in disregard of the rights of the plaintiffs, the latter are constrained to hire the services of counsel for which they agreed to pay the sum of ₱50,000.00 in addition to the appearance fee of ₱500.00 every hearing of this case.

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Involved in *Civil Case No. TM-180* entitled Sps. Agustina Poblete and Amor Poblete *vs.* Sps. Sonya Mathay and Ismael Mathay, Jr., and the Register of Deeds of Cavite for Annulment of Titles and Recovery of Possession, is a parcel of land situated in Tanza, Cavite, covered by Transfer Certificate of Title Nos. T-192532 registered in the name of Juana Batallones and Gaudencio Quimio which was allegedly sold to the herein plaintiff, as per "Deed of Conditional Sale" dated December 28, 1987.

PLAINTIFFS allege that:

1) Plaintiffs are the registered owners of a parcel of land situated in Tanza, Cavite having purchased the same from Juana Batallones

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and Gaudencio Quimio for themselves and on behalf of their co-heirs as evidenced by Deed of Sale;

2) Plaintiffs-predecessors-in-interest were duly issued Certificate of Title No. T-192532;

3) said vendees whose titles aforesaid was transferred in favor of the plaintiffs have obtained the title by virtue of the decision by then Court of First Instance of Naic, Cavite in Civil Case No. NC-709 entitled Tomas Lucido *versus* Juana Onate Batallones and Petronilla Q. Quimio, Director of Lands, the Register of Deeds of Cavite;

4) the heirs of Onofre Batallones and Modesta Quimio are the vendees of the land from the Bureau of Lands as evidenced by a Certification issued by Adelwisa P. Ong, Record Officer of the District Land Office of Trece Martires City;

5) the sale of the said parcel of land from the Bureau of Lands in favor of the heirs of Batallones and Quimio was also evidenced by a Deed of Conveyance duly issued by the Bureau of Lands;

6) plaintiffs have taken possession thereof;

7) defendants have enclosed a portion of said property with a fence and occupied 114,987 square meters thereof without the consent and against the will of plaintiffs;

8) plaintiffs have learned that defendants as vendees have been also issued Transfer Certificate of Title covering the same land titled in the name of the plaintiffs under TCT No. T-112047;

9) the title issued to defendants was the product of forgery because it was based on an alleged TCT No. T-111070 in favor of Pedro Banayo and Pablo Pugay of Trece Martires City who have no right whatsoever on the real estate in question;

10) upon investigation it was certified by the Bureau of Lands that the said title was falsified and forged because alleged Deed No. V-12918 was issued to one Juana C. Collado for Lot 18, Block 56, Tala Estate situated in Caloocan City and that there was (sic) no records in the Bureau of Lands that Deed No. 12918 was issued Lot 2886, S.C. Malabon Estate, Cavite in favor of Pedro Banayo and Pablo Pugay to whom defendants have allegedly acquired title over the said property;

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11) considering that the title of the defendants have (sic) no basis in law and in fact and that the same was illegally, unlawfully and maliciously issued by the Register of Deeds on the basis of forged and falsified and none [sic] existing documents as basis for issuance thereof, the same may be cancelled and defendants have no right to take possession of the real property thereon including the portion pertaining to the herein plaintiffs consisting of 114,987 square meters more or less, said title creates cloud on the title of plaintiffs and by their predecessors-in-interest and as such plaintiffs could not deal on said property and complete transactions thereto, thereby irreparable damage (sic);

12) as a result of the illegal, unlawful, unjust and malicious actuations of the defendants, plaintiffs were deprived of the use of the said parcel of land unlawfully and illegally occupied by them and they failed to introduce the necessary improvements thereon and for which they suffered damages in the amount of not less than ₱50,000.00;

13) in view of the bad faith, illegal and unlawful actuations of the defendants in obtaining title over the property [, plaintiffs] suffered from sleepless nights, anxiety, mental anguish for while (sic) they are also entitled to claim for moral damages in the sum of ₱100,000.00;

14) despite repeated demands from the plaintiffs for the defendants to desist from enclosing the titled property with a fence, the latter without any lawful right insisted and actually enclosed their property with a fence, causing irreparable damage and prejudice to the plaintiffs;

15) in view of the illegal, unlawful, malicious and bad faith of defendants and disregard of the right of the plaintiffs, the latter are constrained to hire the services of counsel for which they agreed to pay the sum of ₱50,000.00 in addition to appearance of ₱500.00 every hearing of this case;[5]

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In *Civil Case No. TM-206* entitled Spouses Eduardo and Felicisima Tirona, *et al., vs.* Spouses Sonia (sic) Mathay, *et al.*, for "Quieting of Title, Annulment of Title and Recovery of Possession with Damage," etc.

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[5] As Answer to the Complaint, defendant Spouses Mathay interposed exactly the same affirmative defenses they put up in Civil Case No. TM-175.

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PLAINTIFFS, allege that:

3) on December 31, 1985, Spouses Bonifacio Motas and Juliana Motas bought a parcel of land situated at (sic) Tanza, Cavite known as Lot 2186-B of Psu-04-01892, containing an area of 18,943 square meters covered by Transfer of (sic) Certificate of Title No. T-192530 of the Registry of Deeds of Cavite from David Quimio as evidenced by a Deed of Absolute Sale;

4) Spouses Bonifacio Motas and Juliana Motas issued TCT No. T-203730 by the Register of Deeds of Cavite;

5) Vendors David Quimio, Sr., *et al.*, are the previous registered owners of said parcel of land as evidenced by TCT No. T-192530;

6) Vendors David Quimio, Sr., whose title was transferred to Motas have obtained rights and interest thereon from their predecessors who were vendees from the Bureau of Lands which was confirmed in the Decision of then Court of First Instance of Cavite in Civil Case No. 809 entitled Tomas Lucido *versus* Juana Batallones and Petronila Quimio, *et al.*, issued on January 30, 1981;

7) said parcel of land was subdivided under Psu-04-01763 into eight lots as evidenced by Sub-division Plan; (sic)

8) plaintiffs bought the subdivided lots from Motas in good faith, and issued Transfer Certificate of Titles by the Office of the Register of Deeds of Cavite, as follows:

NAME	*LOT*	*TCT NO.*	*AREA*
1. Sps. Eduardo &	2186-D-6	203728	3,000 sq. m.
Felicisima Tirona	2186-D-1	203723	741 sq. m.
2. Soledad Motas &	2186-D-8	206078	3,409 sq. m.
Sps. Ignacio San Jose & Lucila San Jose	2186-D-8	206078	1,591 sq. m.
3. Anania Cervania	2186-D-3	203725	2,500 sq. m.
4. Ricardo Malabanan	2186-D-4	203726	2,500 sq. m.
5. Plocerfina Tanyag	2186-D-2	203724	700 sq. m.
6. Ruperta Bartolome	2186-D-5B	220606	550 sq. m.
	2186-D-5C	220607	700 sq. m.

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2186-D-5D	220608	700 sq. m.
2186-D-A	220605	550 sq. m.

9) plaintiffs are the one (sic) paying the corresponding real property taxes thereon and were issued corresponding tax declaration by the Office of the Provincial Assessor of Cavite;

10) plaintiffs have come to know that defendants Spouses Sonia (sic) Mathay and Ismael Mathay, Jr. have enclosed among others said real properties of the plaintiffs with a fence and took physical possession thereof without the knowledge and consent of the plaintiffs;

11) plaintiffs have learned also that defendants have also issued Transfer Certificate of Title covering among others the same land titled in the name of the plaintiffs under Transfer Certificate of Title No. T-113047;

12) the title issued to defendants was the product of forgery because it was based on an alleged Transfer of Certificate of Title No. 3444 in favor of Pedro Banayo and Pablo Pugay of Trece Martires City who have no right whatsoever on the real estate in question and who have been in prior physical possession thereof, as such said title is void *ab initio*;

13) upon investigation, it was certified by the Bureau of Lands that the said titles were based on falsified and forged documents because alleged Deed No. V-12918 which was the basis for the issuance thereof, was issued to one Jack C. Gallado for Lot 18, Block 56, Tala Estate situated in Caloocan City and that there was no records in the Bureau of Lands that Deed No. V-12918 was issued for Lot 2886, S.C. Malabon Estate, Cavite in favor of Pedro Banayo and Pablo Pugay to whom defendants have allegedly acquired title over the said property;

14) the title of the defendants have no basis in law and in fact and that the same was illegally, unlawfully and maliciously issued by the Register of Deeds of Cavite on the basis of forged and falsified and none [sic] existing documents;

15) said Transfer Certificate of Titles were illegally and unlawfully issued without basis in favor of defendants Mathay and their predecessors-in-interest, creating a cloud on the titles of the plaintiffs and as such may be declared null and void;

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16) plaintiffs have the right to exclude defendants Mathays from their enjoyment of their property and considering that said defendants have been duly informed of the defect and nullity of their title yet they insisted and continue to insist in the enjoyment of the right from a void title;

17) as a result of the illegal, unlawful, unjust and malicious actuations of the defendants, plaintiffs were deprived of the use of the said parcel of lands unlawfully and illegally occupied by defendants Mathay as they failed to introduce the necessary improvements thereon and for which they suffered damages in the amount of not less than ₱50,000.00 and the amount of ₱500.00 a month for each lot as reasonable compensation for the use of their lands;

18) in view of the bad faith, illegal and unlawful actuations of the defendants in obtaining titles over the property in question thru forged and falsified documents, plaintiffs suffered from sleepless nights, anxiety, mental anguish for which they are also entitled to claim for moral damages in the sum of ₱150,000.00;

19) in view of the illegal, unlawful, malicious and bad faith of the defendants and in disregard of the right of the plaintiffs, the latter are constrained to hire the services of counsel for which they agreed to pay the sum of ₱50,000.00 in addition to an appearance fee of ₱1,000.00 every hearing."[6]

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After trial on the merits, the lower court decided for defendant spouses Sonya Mathay and Ismael Mathay, Jr., and against the plaintiffs in the three consolidated cases; disposing, thus:

"WHEREFORE, foregoing considered, (sic) judgment is hereby rendered in favor of the defendants:

a) declaring Contract of Sale 3397 in favor of Tomas Lucido, the Assignment of Sale Certificate No. 3397 issued by Tomas Lucido in favor of Onofre Batallones and Norberto Quimio, the Deed of Conveyance in favor of Onofre Batallones and Norberto Quimio and Transfer Certificate of Title No. 85866 in the name of Onofre Batallones and Norberto Quimio, as null and void;

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[6] As Answer to the Complaint, defendant Spouses Mathay interposed exactly the same affirmative defenses they put up in Civil Cases No. TM-175 and TM-180.

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b) declaring Transfer Certificates of Title No. T-195350, T-195351, T-192527, T-192529, T-192528, T-192532, T-252996, T-252997, T-252998, T-252999, T-253000, T-253001, T-253002, T-253003, T-253004, T-253005, T-253037, T-206078, T-203724, T-220506, T-220607, T-220608, T-220605, T-203728, T-203726, T-203730, T-203723 and T-203725, as null and void, and directing the Register of Deeds of Cavite Province to cancel them;

c) ordering Spouses Teodulfo Atangan & Sylvia Atangan, Onofre Batallones, Norerto (sic) Quimio, Spouses Tomas Lucido and Juana Batallones, Agustin Poblete, Juancho Albert Poblete, Spouses Bonifacio Motas and Juliana Motas, Soledad Mateo, Ricardo Malabanan, Flocerfina Bartolome, Spouses Eugenio Bartolome and Ruperto Bartolome, Spouses Eduardo Tirona and Felicisima Tirona and Anania Gervania (sic) to surrender to the Office of the Register of Deeds of Cavite their owner's copy of their Transfer of Certificates of Title covering portions of Lot 2186;

d) declaring TCT No. T-11304 [sic][7] valid and the defendants to have superior rights to the property in question and to be the true and lawful owners of the same;

e) ordering plaintiffs jointly and severally liable to pay defendants attorney's fees of ₱50,000.00 and to pay the costs;

f) denying all other claims of the parties for lack of basis in law and/or evidence.

SO ORDERED."

On appeal, the Court of Appeals culled from the records on hand the following facts[8], to wit:

"Plaintiff-appellants and defendants-appellees are all holders of Transfer Certificates of Title which all appear duly issued by the Register of Deeds of Cavite.

Plaintiffs derived their titles as follows:

The land claimed by the parties is known as Lot 2186 of the Sta. Cruz de Malabon Estate originally consisting of 174,914 sq. meters and previously covered by a survey in the name of plaintiffs predecessor-in-interest Heirs of Onofre Batallones and Heirs of

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[7] should be TCT No. T-113047.

[8] CA Decision, pp. 18-25; *Rollo*, pp. 52-59.

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Patronillo Quimio and Tomas Lucido evidenced by Psd 04-010692 (Exh. A).[9] The Heirs of Batallones and Patronillo Quimio were issued TCT No. 85866 on August 9, 1976 (Exh. C).[10] On July 13, 1976, the Director of Lands transmitted to the Register of Deeds of Cavite the Deed of Conveyance and for issuance of corresponding TCT to the Heirs of Onofre Batallones and Norberto Quimio represented by Juana S. Batallones and Patronillo Quimio (Exh. K.)[11] The original vendee of said lot from the Bureau of Land was Tomas Lucido who was issued contract of Sale 3397 dated March 16, 1936 (Exh. M).[12] Lucido assigned his rights over said parcel of land to Onofre Batallones and Norberto Quimio on October 17, 1944 evidenced by assignment of Sale Certificate No. 3397 (Exh. N).[13] In an [O]rder dated June 18, 1976, said assignment was approved by the Director of Lands (Exh. O).[14] On July 1, 1976 the then Department of Natural Resources through Jose A. Janalo, Assistant Secretary issued Sales Certificate No. 3397, Deed No. T-11692 to Heirs of Batallones and Quimio (Exh. Q).[15] On June 18, 1976, the Bureau of Lands forwarded to the Department of Natural Resources for signature the Deeds of Conveyance in favor of Heirs of Batallones and Quimio (Exh. S).[16]

After the Heirs of Batallones and Quimio were duly issued TCT No. 85866[17] on August 9, 1976, Tomas Lucido filed Civil Case No. NC 709 before the then Court of First Instance of Cavite, Branch 1, Naic, Cavite (Exh. GG)[18] which ended in a Decision by said court based on a Compromise Agreement duly executed by Juana Onate Batallones representing the heirs of Onofre Batallones and Patronillo Onate Quimio, representing the heirs of Norberto Quimio and pursuant

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[9] Records, p. 193.

[10] Records, p. 194.

[11] Records, p. 203.

[12] Records, p. 206.

[13] Records, p. 208.

[14] Records, p. 210; See also "Exh. P", p. 211.

[15] Records, p. 212.

[16] Records, p. 222.

[17] "Exh. C", Records, p. 194.

[18] Records, pp. 275-82.

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thereto 35,000 sq. meters on the southern portion was given to Tomas Lucido married to Eustaquia Villanueva while the remaining portion of Lot 2186 pertained and belonged to the defendants Heirs of Batallones and Heirs of Norberto Quimio (Exh. Y).[19] Pursuant to the Approved Compromise Agreement in the said decision (Exh. Y), a deed of partition was executed by Juana Batallones, et al., and Tomas Lucido whereby the land covered by TCT No. T-85866 of the Register of Deeds was subdivided into six (6) lots known as Lots 2186-A, 2186-B, 2186-C, 2186-D, 2186-E and 2186-F, pursuant to approved technical descriptions and subdivision plan Psd-04-10692, and that lots 2186-A containing an area of 9,100 sq. meters and lot 2186-C containing an area of 24,700 were assigned to Tomas Lucido while the rest of the lots assigned to Juana Batallones *et al.,* (Exh. FF).[20] After securing clearance from the Department of Agrarian Reform (Exh. PP-1)[21] and payment of required fees and compliance with the requirements or registration the Register of Deeds of Cavite, Trece Martirez (sic) City issued the corresponding Transfer Certificates of Title to the Heirs of Batallones and Quimio and Tomas Lucido, as follows:

Lot 2186-A	TCT No. 192527	Lucido, Tomas (sic) Exh. E, V-2[22]
Lot 2186-B	TCT No. 192528	Exh. AAA[23]
Lot 2186-C	TCT No. 192529	Tomas Lucido Exh. D, V-3[24]
Lot 2186-D	TCT No. 192530	
Lot 2186-E	TCT No. 192531	Exh. AAA-1
Lot 2186-F	TCT No. 192532	Exh. G[25]

[19] Records, pp. 247-49.

[20] Records, pp. 270-74.

[21] Records, pp. 321-23.

[22] Records, p. 196.

[23] Records, p. 197.

[24] Records, p. 243.

[25] Records, p. 198.

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Tomas Lucido married to Eustaquia Villanueva who was the registered owner of Lot 2186-A, TCT No. 192527 (Exh. E; V-2)[26] 2186-A sold to plaintiffs Teodulfo P. Atangan married to Sylvia Atangan[27] evidenced by a Deed of Absolute Sale [e]xecuted on July 12, 1985 (Exh. U-1).[28] and another Deed of Sale for Lot 2186-C (Exh. U)[29] Plaintiffs Atangan were duly issued TCT Nos. T-195350 for Lot 2186-A and TCT No. T-195351 for Lot 2186-C (Exhs. V-1 and V, respectively).[30] Said plaintiffs paid the corresponding taxes thereon (Exh. U-6, U-7)[31] and they were duly issued tax declaration No. 11677 and Tax Declaration No. 11679 (Exh. U-4, U-3, respectively).[32]

Juana Batallones, *et al.*, sold Lot 2186-F to plaintiffs Agustina Poblete, married to Amor Poblete, Juancho Albert A. Poblete, and Juliana Motas married to Bonifacio Motas[33] evidenced by a deed of absolute sale executed on June 8, 1988 (Exh. XX).[34] Said parcel of land was subdivided under Sub. plan Psd-04-0106-92, and, as a result the following Certificate of Titles were issued to the following plaintiffs:

Lot 2186-F-1	TCT No. T-252996	Agustina Poblete Exh. SS[35]
Lot 2186-F-2	TCT No. T-252997	- do - Exh. SS-1[36]

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[26] Records, p. 196.

[27] Spouses Atangan are the plaintiffs in the first case: Civil Case No. TM - 175.

[28] Records, pp. 230-31.

[29] Records, pp. 228-29.

[30] Records, pp. 239-40.

[31] Records, pp. 337-38.

[32] Records, pp. 234-35.

[33] The Pobletes and the Motases are the plaintiffs in the second case: Civil Case No. TM - 180.

[34] Records, pp. 381-82.

[35] Records, pp. 332.

[36] Records, p. 333.

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Lot 2186-F-3	TCT No. T-252998	- do - Exh. SS-2[37]
Lot 2186-F-4	TCT No. T-252999	- do - Exh. SS-3[38]
Lot 2186-F-5	TCT No. T-253000	Juancho Albert Poblete Exh. SS-4[39]
Lot 2186-F-6	TCT No. T-213001	- do - Exh. SS-5[40]
Lot 2186-F-7	TCT No. T-253002	Juancho Albert Poblete Exh. SS-6[41]
Lot 2186-F-8	TCT No. T-253003	Juliana Motas Exh. SS-7[42]
Lot 2186-F-9	TCT No. T-253004	- do - Exh. SS-8[43]
Lot 2186-F-10	TCT No. T-253005	- do - Exh. SS-9[44]
Lot 2186-F-11	TCT No. T-253007	- do - Exh. SS-10[45]

David Quimio, owners of Lot 2186-D, TCT No. 19530 sold the same to plaintiff Juliana Motas married to Bonifacio Motas evidenced by a notarized deed of absolute sale dated December 31, 1985

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[37] Records, p. 334.

[38] Records, p. 335.

[39] Records, p. 336.

[40] Records, p. 337.

[41] Records, p. 338.

[42] Records, p. 339.

[43] Records, p. 342.

[44] Records, p. 340.

[45] Records, p. 341.

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(Exh. VV).[46] Said lot contained an area of 18,943 sq. meters more or less. She was issued TCT No. T-201592 by the Register of Deed (sic) of Cavite. Plaintiffs Motas caused said lot to be subdivided under Psd-017063 and sold the same to plaintiffs Tirona, et al., in Civil Case No. TM-206 and corresponding Transfer Certificates of Titles were issued to the said plaintiffs as follows:

NAME	*LOT*	*TCT NO.*	*AREA*
1. Sps. Eduardo &	2186-D-6	203728	3,000 sq. m.
Felicisima Tirona	2186-D-1	203723	741 sq. m.
2. Soledad Mateo (sic) &	2186-D-8	206078	3,409 sq. m.
Sps. Ignacio San Jose & Lucila San Jose	2186-D-8	206078	1,591 sq. m.
3. Anania Cervania	2186-D-3	203725	2,500 sq. m.
4. Ricardo Malabanan	2186-D-4	203726	2,500 sq. m.
5. Plocerfina Tanyag	2186-D-2	203724	700 sq. m.
6. Ruperta Bartolome	2186-D-5B	220606	550 sq. m.
	2186-D-5C	220607	700 sq. m.
	2186-D-5D	220608	700 sq. m.
	2186-D-A	220605	550 sq. m.

1. Sps. Eduardo R. Tirona	Exh. SS-11[47] Exh. SS-12
2. Soledad Motas & Sps. Ignacio San Jose & Lucila San Jose	Exh. NN-1[48] Exh. SS-13
3. Anania Servnia (sic)	Exh. SS-20[49] Exh. SS-19

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[46] Records, p. 378.

[47] Records, pp. 343-44.

[48] Records. pp. 305-345.

[49] Records, pp. 358-59.

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4. Ricardo Malabanan	Exh. NN-4[50]
5. Plocerfina Tanyag	Exh. NN-3[51]
6. Ruperta Malabanan	Exh. NN-6[52] Exh. NN-7 Exh. NN-8 Exh. NN-9
7. Plaintiff Juliana Motas & Bonifacio Motas	Lot. No. 2186-D TCT No.203730 Exh. VV-1[53]

Said plaintiffs were duly issued corresponding Tax Declaration and have paid the realty taxes[54] thereon and they were in actual possession of the contested parcels of land until the same were fenced by defendants Mathay's men over their objection and upon inquires, they discovered that the defendants Mathay were issued TCT No. T-113047 covering same parcel of land (Exh. 2)[55] based on a Deed of Absolute [S]ale executed allegedly on 21 May 1980 by Pedro Banayo and Pablo Pugay (Exh. 3)[56] and notarized by Manalad Santera (Exh. 3-A).[57]

Defendants-appellees Spouses Sonya Mathay and Ismael Mathay, Jr. claimed that the land described as Lot 2186 of the Sta. Cruz de Malabon Estate, situated in Tanza, Cavite, containing an area of 174,917 square meters covered by TCT No. T-111070 (Exh. 8),[58] registered in the name of Pedro Banayo and Pablo Pugay on February 28, 1980 was purchased by the defendants from Pedro Pugay on

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[50] Records, p. 357.

[51] Records, p. 309.

[52] Records, pp. 311-14.

[53] Records, p. 380

[54] "Exhs. NN-1", Records, p. 304; "NN-2-B", Records, p. 307; "NN-2-C", Records, p. 308.

[55] Records, p. 456.

[56] Records, p. 450.

[57] Records, p. 451.

[58] Records, p. 456.

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May 31, 1980 (Exhs. 3, 3-A),[59] and TCT No. T-113047 (Exh. 2)[60] was issued in their favor on June 3, 1980 by the Office of the Register of Deeds of Cavite Province, declared for taxation purposed (sic) (Exh. 4, 5)[61] and corresponding taxes paid (Exh. 18, 19, 20, 21, 22).[62]

It appears that Director of Lands Ramon N. Casanova, under the Deed No. V-12918 and Sales Certificate No. 2454 in consideration of ₱8,958.00 sold to Pedro Banayo and Pablo Pugay Lot 2186 of the Sta. Cruz de Malabon Estate, friar Lands Estate, situated in the Municipality of Tanza, Province of Cavite, containing an area of 17 hectares, 49 ares and 17 centares of the subdivision plan A-21 approved by the Court of Land Registration on the 4th day of February, 1911 (Exh. 15)[63] with the technical description of the land (Exh. 15-A)[64] and on February 21, 1980, a letter addressed to the Register of Deeds for issuance of title to Pedro Banayo and Pablo Pugay (Exh. 16)[65] which was cancelled by TCT No. 113047 issued in the name of Spouses Sonya Mathay and Ismael Mathay, Jr., (Exh. 2),[66] and that according to the old Sales Register Book kept in the office, Lot 2186 of the Sta. Cruz de Malabon Estate, Cavite, is registered in the name of Pedro Banayo and Pablo Pugay (Exh. 17-A).[67] It appears also that Pugay and Banayo were assignees of the subject lot under Assignment of Sale Certificate No. 3397,[68] of the Bureau of Lands, with Tomas Lucido as assignor."

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On November 18, 1993, the Court of Appeals came out with a judgment of reversal, the dispositive portion of which, reads:

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[59] Records, pp. 450-51.

[60] Records, p. 449.

[61] Records, pp. 453-54.

[62] Records, pp. 468-72.

[63] Records, p. 465.

[64] Records, p. 466.

[65] Records, p. 466.

[66] Records, p. 449.

[67] Records, p. 467.

[68] Records, p. 299.

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"WHEREFORE, premises considered, judgment is rendered in favor of plaintiffs-appellants in the above-entitled three cases against defendants-appellees. The consolidated decision of the Regional Trial Court, Branch 23, Trece Martirez (sic) City in Civil Case No. TM-175, Civil Case No. TM-180 and Civil Case No. TM-206 is reversed and set aside. The defendants-appellees Register of Deeds of Cavite, Trece Martirez (sic) City is ordered to cancel Transfer Certificate of Title No. 113047 covering Lot 2186 of Sta. Cruz de Malabon Estate in the name of Spouses Ismael and Sonya Mathay. Spouses Ismael and Sonya Mathay are ordered to vacate Lot 2186, Sta. Cruz de Malabon Estate, Cavite in favor of the plaintiffs-appellants.

SO ORDERED."

With the denial of their motion for reconsideration, the spouses Sonya Mathay and Ismael Mathay, Jr. found their way to this Court via the present Petition; theorizing, that:

I.

WITH DUE RESPECT, THE COURT OF APPEALS ERRED IN SETTING ASIDE THE GENUINE TRANSFER CERTIFICATE OF TITLE NO. 113047 OF SPS. SONYA & ISMAEL MATHAY, JR., WHO ACQUIRED THE SAID TORRENS TITLE AS BUYERS IN GOOD FAITH, SINCE THE DOCUMENTS NECESSARY FOR THE TRANSFER, EVEN PRIOR TO THE SALE, WERE ALL DULY FILED AND CLEARED WITH THE RE REGISTER OF DEEDS, ASSESSOR'S OFFICE, B.I.R., AND OTHER GOVERNMENT ENTITIES. MOREOVER, THE LAW STATED IN "*DINO VS. COURT OF APPEALS,*" G.R. NO. 95921, SHOULD BE UPHELD, IN CASE OF BASELESS ASSERTION OF ALLEGED FORGERY BY THE RESPONDENTS;

II.

WITH DUE RESPECT, THE COURT OF APPEALS ERRED IN NOT RECOGNIZING THE 1980 TITLE OF SPS. SONYA & ISMAEL MATHAY, JR. OVER AND ABOVE THE LATER 1986-88 ALLEGED TITLES OF RESPONDENTS-ATANGAN *ET AL.*, WHICH IS CLEARLY CONTRARY TO THE APPLICABLE LAW ON THE MATTER, NAMELY: ART. 1544 OF THE CIVIL CODE OF THE PHILIPPINES;

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III.

WITH DUE RESPECT, THE COURT OF APPEALS ERRED IN NOT CONSIDERING THAT THE DEED OF SALE EXECUTED BY VENDORS — BANAYO & PUGAY IN FAVOR OF VENDEES — SPS. SONYA & ISMAEL MATHAY, JR. IS DULY NOTARIZED IN SO FAR AS THE VENDORS AND VENDEES ARE CONCERNED AND THAT, FURTHERMORE, THE COURT OF APPEALS ERRED IN NOT CONSIDERING THE VALIDITY OF THE PETITIONERS' DOCUMENTS, WHICH WERE ALL DULY EXECUTED.

The petitioners, spouses Sonya Mathay and Ismael Mathay, Jr., claim to be buyers in good faith, reasoning out that TCT No. T-111070, the derivative title of their TCT No. T-113047, appeared to be free from any encumbrance. They argue that a person dealing on a registered land may safely rely on the correctness of the covering certificate of title and is not required to go beyond the certificate of title to determine the condition of the property.

A purchaser in good faith and for value is defined as "one who buys property of another, without notice that some other person has a right to, or interest in, such property and pays a full and fair price for the same at the time of such purchase, or before he has notice of the claims or interest of some other person in the property."[69] As a rule, he who asserts the status of a purchaser in good faith and for value, has the burden of proving such assertion. This *onus probandi* cannot be discharged by mere invocation of the legal presumption of good faith, *i.e.*, that everyone is presumed to act in good faith."[70]

Here, petitioners cannot be categorized as purchasers in good faith. Prior to the fencing of subject land, neither they (Mathays) nor their predecessors-in-interest (*Banayo and Pugay*) ever possessed the same. In fact, at the time the said property was sold to petitioners, the private respondents were not only in actual possession of the same but also built their houses thereon,

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[69] *Sandoval vs. Court of Appeals*, 260 SCRA 283 [1996].

[70] *Baltazar vs. Court of Appeals*, 189 SCRA 354 [1989].

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cultivated it and were in full enjoyment of the produce and fruits gathered therefrom. Although it is a recognized principle that a person dealing on a registered land need not go beyond its certificate of title, it is also a firmly settled rule that where there are circumstances which would put a party on guard and prompt him to investigate or inspect the property being sold to him, such as the presence of occupants/tenants thereon, it is, of course, expected from the purchaser of a valued piece of land to inquire first into the status or nature of possession of the occupants, *i.e.*, whether or not the occupants possess the land *en concepto de dueño*, in concept of owner. As is the common practice in the real estate industry, an ocular inspection of the premises involved is a safeguard a cautious and prudent purchaser usually takes. Should he find out that the land he intends to buy is occupied by anybody else other than the seller who, as in this case, is not in actual possession, it would then be incumbent upon the purchaser to verify the extent of the occupant's possessory rights. The failure of a prospective buyer to take such precautionary steps would mean negligence on his part and would thereby preclude him from claiming or invoking the rights of a "purchaser in good faith."

So also, before the fence around subject property was erected, private respondents communicated their objection to the fencing of the area by petitioners but they were ignored by the petitioners, who continued enclosing the premises under controversy in the presence of armed men employed by them (*petitioners*).

Consequently, not being "innocent purchasers for value," within legal contemplation, petitioners' reliance on Article 1544 of the New Civil Code is misplaced. Such stance of theirs lacks legal and factual basis. The fundamental premise of preferential rights under the law is *good faith*.[71]

Viewed in proper perspective, we uphold the finding by the Court of Appeals that the petitioners cannot invoke Art. 1544

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[71] *Tanedo vs. Court of Appeals*, 252 SCRA 80 [1996]; *Paylago vs. Jarabe*, 131 Phil. 354.

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of the Civil Code in view of the questionable documents from which their title emanated. As the Court of Appeals ratiocinated:

"We think the applicable rule as stated in *Baltazar v. Court of Appeals*, No. L-78728, December 8, 1988, 168 SCRA 334, is that as between two persons both of whom are in good faith and both innocent of any negligence, the law must protect and prefer the lawful holder of registered title over the transferee of a vendor bereft of any transmissible rights. Under the foregoing principle derived from the above case law, the Mathays have no rights as against plaintiffs-appellants, their recourse is against their vendors Banayo and Pugay."[72]

The aforesaid ruling of the Court of Appeals accords with the Latin maxim: *nemo potest plus juris ad alium transferre quam ipse habet.* "No one can transfer a greater right to another than he himself has." Thus, in *Calalang vs. Register of Deeds of Quezon City*,[73] this Court held :

"Needless to state, all subsequent certificates of title including petitioner's titles are void because of the legal truism that *the spring cannot rise higher than its source.* The law must protect and prefer the lawful owner of registered title over the transferee of a vendor bereft of any transmissible rights."

In sum, "defective titles cannot be upheld against the unblemished titles of the private respondents."[74]

Petitioners further submit that requiring them to inquire beyond the face of the torrens title defeats the primordial objective of the torrens system, which is that a person dealing on registered land has the right to rely on the torrens title.

But "a certificate is not conclusive evidence of title if it is shown that the same land had already been registered and an

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[72] CA Decision, pp. 41-42; *Rollo*, pp. 75-76.

[73] 231 SCRA 88 [1994].

[74] *Lorenzana Food Corporation vs. Court of Appeals*, 231 SCRA 713 [1994].

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earlier certificate for the same is in existence."[75] In the case at bar, as borne out by pertinent records, the private respondents obtained their rights and title from TCT No. T-85866, which was registered on August 9, 1976 under the name of Heirs of Onofre Batallones and Patronillo Quimio. On the part of petitioners, their supposed title originated from a spurious title of Pedro Banayo and Pablo Pugay illegally registered on February 28, 1980.

So also, where two *transfer* certificates of title have been issued on different dates, to two different persons, for the same parcel of land, even if both are presumed to be title holders in good faith, it does not necessarily follow that he who holds the earlier title should prevail. On the assumption that there was regularity in the registration leading to the eventual issuance of subject transfer certificates of title, the better approach is *to trace* the *original* certificates from which the certificates of title in dispute were derived. Should there be only one common *original* certificate of title, as in this case under consideration, the *transfer* certificate issued on an earlier date along the line must prevail, absent any anomaly or irregularity tainting the process of registration.

In light of the attendant facts and circumstances, there is therefore a need to refer to the background or history of the land under controversy. As conceded by petitioners, their TCT No. T-113047 was derived from TCT No. 111070 under the names of Pedro Banayo and Pablo Pugay. Hence, the necessity of looking into and determining the legitimacy of the title of the two, Banayo and Pugay.

In an effort to support their claim of ownership over subject Lot 2186, Pedro Banayo and Pablo Pugay presented two theories. First, they theorize that on October 17, 1970, under Assignment of Sale Certificate No. 3397,[76] Tomas Lucido assigned and transferred to them all his interests in the contested land. Their second theory is that subject real property was sold to them by

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[75] *Heirs of Luis J. Gonzaga vs. Court of Appeals*, 261 SCRA 327 [1996].

[76] "Exh. LL", Records, p. 299.

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then Director of Lands Ramon N. Casanova, under Deed No. V-12918 and Sales Certificate No. 2454.[77]

After a careful examination of germane records, however, we are of the conclusion, and so find, that the aforestated theories of Pedro Banayo and Pablo Pugay are without any factual and legal basis.

The assignment of Sales Certificate No. 3397 allegedly executed by Tomas Lucido in favor of Pedro Banayo and Pablo Pugay was not signed by the said Tomas Lucido. Neither does it bear the signature of the latter. Worse, the same Tomas Lucido testified on the witness stand,[78] that he does not know Pedro Banayo and Pablo Pugay, and he never received ₱50,000.00 from them. What is more, Tomas Lucido reiterated that he really sold the land in question to the herein private respondents, spouses Teodulfo Atangan and Sylvia Atangan, the plaintiffs in Civil Case No. TM - 175, as shown by the two Deeds of Sale[79] he executed in favor of the said spouses, Teodulfo Atangan and Sylvia Atangan.

To reinforce their aforesaid second theory, Banayo and Pugay declared that, for and in consideration of Eight Thousand Nine Hundred Fifty Eight (*₱8,958.00*) Pesos, former Director of Lands Ramon Casanova issued Deed No. V-12918 with Sales Certificate No. 2454, which Deed was the basis of the issuance to them of TCT No. T-111070 by the Register of Deeds of the Province of Cavite.

But Mr. Marcelino Freiras, Chief of Reservation and Special Land Grant Section of the Bureau of Lands, stressed that the signature of former Lands Director Ramon Casanova on the said Deed No. V-12918 with Sales Certificate No. 2454, was forged. According to him (Freiras), having worked with him

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[77] "Exh. 15", Records, p. 465.

[78] TSN of August 28, 1990, pp. 3-11.

[79] "Exhs. T and U", Records, pp. 225-29.

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for the past thirty (30) years, he is familiar with the signature of Director Casanova.[80]

Then, too, in a letter[81] addressed to Atty. Franco Loyola, counsel for private respondents, the same Mr. Freiras informed that, as indicated by the entries in the Deed of Conveyance Book,[82] Deed V-12918 was issued on October 10, 1979, for *Lot No. 18, Block 16, Tala Estate, Caloocan City*, in the name of one Zaida C. Calado, and not for the subject land, identified as Lot 2186 of Sta. Cruz de Malabon Estate, Cavite City, originally registered under the names of the Heirs of Onofre Batallones and Patronillo Quimio. In another letter[83] sent in answer to the query of Juana Motas, one of the plaintiffs in Civil Case No. TM-180, Alicia V. Dayrit, Office Caretaker of Land Management Division of the Bureau of Lands, corroborated what Mr. Freiras disclosed, as aforementioned. In her said letter, Alicia V. Dayrit revealed to Mrs. Motas that there is really no record of any Deed No. V-12918 issued for Lot 2186 of Sta. Cruz de Malabon Estate, Cavite City, in favor of Pedro Banayo and Pablo Pugay, and that what appears in the *Registry Book of Deeds of Conveyance* is Deed of Conveyance No. V-11692 issued on July 1, 1976 in favor of Onofre Batallones and Norberto Quimio by the then Secretary of Natural Resources, which Deed pertains to Lot 2186 of Sta. Cruz de Malabon Estate. The aforesaid revelations were corroborated in open court by witness Freiras.[84] Further, the Court detected discrepancies in the entries of the documents abovementioned. Pedro Banayo and Pablo Pugay contended that by virtue of Sales Certificate No. 2454, the then Director of Lands Ramon Casanova issued Deed V-12918, on February 18, 1980.[85] However, after a meticulous

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[80] TSN, April 21, 1989, pp. 27-28.

[81] "Exh. UU-1", Records, p. 375.

[82] "Exhs. RR and RR-1", Records, pp. 330-31.

[83] "Exh. I", Records, p. 201.

[84] Mr. Freiras testified on the following dates: January 30, 1989; February 15, 1989; and April 21, 1989.

[85] "Exh. 15", Records, p. 465.

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examination of the evidence on record, the Court noticed that former Director Ramon Casanova issued another Deed V-12918 but, bearing Sales Certificate No. 3397 and dated February 19, 1980.[86] It should be remembered that Pedro Banayo and Pablo Pugay declared that the issuance of TCT No. T-111070 in their favor was based on the said two documents, both bearing the signature of Director Casanova.

The foregoing observations jibe with the revelation of Freiras that the alleged signatures of former Lands Director Ramon Casanova appearing on the said documents in question were forged. Also strengthened thereby is the testimony of Mrs. Adelwisa O. Ong, former Record Officer and now Acting Administrative Officer of the Bureau of Lands in Cavite, that subject land was patented under Deed No. V-11692, registered under the name of the Heirs of Onofre Batallones and Norberto Quimio, and the name of Tomas Lucido was mentioned in the Old Sales Register Book as he was the approved vendee of the same.[87]

Besides, it is too evident to be overlooked that the number of the Sales Certificate of the second Deed V-12918 (*bearing Sales Certificate No. 3397*) is the same number of the Sales Certificate appearing in the Assignment of Sale allegedly executed by Tomas Lucido in favor of Pedro Banayo and Pablo Pugay. This fact alone, which this Court cannot ignore, is fatal to the cause of Pedro Banayo and Pablo Pugay.

Furthermore, the circumstances surrounding the execution of the Deed of Absolute Sale[88] by Pedro Banayo and Pablo Pugay in favor of the spouses Sonya Mathay and Ismael Mathay, Jr. beclouded the issuance of TCT No. 113047.[89] Records disclose that the said Deed of Absolute Sale did not comply with legal formalities and was not duly notarized. Atty. Mapalad Santera,

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[86] "Exh. LL-1; Records, p. 42; p. 301.

[87] TSN, January 30, 1989, p. 34.

[88] "Exh. A", Records, p. 450.

[89] "Exh. 2", Records, p. 449.

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who signed the document as Notary Public, had no commission as Notary Public for the Province of Cavite, at the time subject document was supposedly notarized,[90] and the residence certificates of vendors Banayo *and* Pugay appeared to be of dubious source.[91]

To bolster their submission that their title is genuine and authentic, private respondents introduced several documentary evidence. They also presented officials concerned and the caretakers of the said documents, who all testified for the private respondents.

On the other hand, the petitioners, spouses Sonya Mathay and Ismael Mathay, Jr., who claim to be buyers in good faith, utterly failed to discharge the burden of proving the sustainability of their posture. Worse for them, as above discussed, the title of Pedro Banayo and Pablo Pugay relied upon by petitioners has been shown by preponderance of evidence to be the product of forgery.

All things studiedly considered, we are of the irresistible conclusion that the respondent Court of Appeals did not err in reversing the appealed decision of the trial court.

WHEREFORE, the Petition is *DISMISSED* for lack of merit, and the Decision of the Court of Appeals in CA-G.R. CV No. 37902 *AFFIRMED in toto*. No pronouncement as to costs.

SO ORDERED.

Romero and *Kapunan, JJ.*, concur.

Narvasa, C.J. (Chairman), no part: Close personal relation to a party.

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[90] "Exhs. CCC-1 to CCC-4", Records, pp. 496-99.

[91] "Exhs. EE and EE-1"; Records, pp. 268-69".