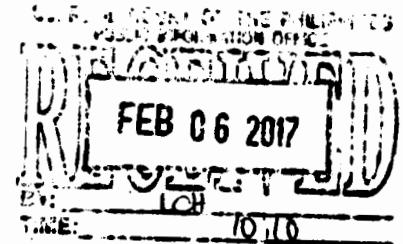


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Rafael Dizon
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Third Division
FEB 03 2017



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION



EDDIE E. DIZON and BRYAN R. DIZON,
Petitioners, G.R. No. 221071

- versus -

YOLANDA VIDA P. BELTRAN,
Respondent.

Present:

VELASCO, JR., J.,
Chairperson,
BERSAMIN,
REYES,
JARDELEZA, and
CAGUIOA, * JJ.

Promulgated:

January 18, 2017
Rafael Dizon

X-----X

DECISION

REYES, J.:

Before the Court is the petition for review on *certiorari*,¹ under Rule 45 of the Rules of Court, with prayer for the issuance of a temporary restraining order and/or writ of preliminary injunction, filed by Eddie E. Dizon (Eddie) and Bryan James R. Dizon (Bryan) (collectively, the petitioners) to challenge the Decision² rendered on January 23, 2015 and Resolution³ issued on September 7, 2015 by the Court of Appeals (CA) in CA-G.R. SP No. 05256-MIN. The dispositive portion of the assailed decision reads:

* Designated Fifth Member of the Third Division per Special Order No. 2417 dated January 4, 2017.

¹ *Rollo*, pp. 9-47.

² Penned by Associate Justice Rafael Antonio M. Santos, with Associate Justices Edgardo T. Lloren and Edward B. Contreras, concurring; *id.* at 52-76.

³ *Id.* at 78-81.

WHEREFORE, the instant petition is hereby GRANTED. The Decision dated 13 June 2012 of the Regional Trial Court of Davao City, Branch 14, is REVERSED and SET ASIDE. The Decision dated 11 November 2011 of the Municipal Trial Court in Cities of Davao City, Branch 1, in Civil Case No. 21[,]755-A-10, is REINSTATED. The Regional Trial Court of Davao City, Branch 14, is hereby ORDERED to issue a writ of execution for the enforcement of the MTCC Decision dated 11 November 2011.

SO ORDERED.⁴

The assailed resolution denied the petitioners' motion for reconsideration.

Antecedents

Eddie started working as a seafarer in the 1980s.⁵ He has two children, namely, Bryan and James Christopher R. Dizon (James).⁶

Eddie and Verona Juana Pascua-Dizon (Verona) (collectively, the Spouses Dizon) got married on March 8, 1995.⁷ Verona was a housewife.⁸ She and her mother, together with Bryan and James, resided in the house erected on a 240-square-meter lot (disputed property) at No. 42 Mahogany Street, Nova Tierra Subdivision, Lanang, Davao City.⁹ The disputed property was covered by Transfer Certificate of Title (TCT) No. T-351707¹⁰ issued in 2002. The registered owners were “[Verona], married to [Eddie].”

In 2008, Verona filed before the Regional Trial Court (RTC) of Davao City a petition for the issuance of Temporary and Permanent Protection Orders against Eddie and James.¹¹

On April 9, 2008, the Spouses Dizon entered into a Compromise Agreement,¹² whereby they contemplated selling the disputed property in the amount of not less than ₱4,000,000.00, which price shall be increased by ₱100,000.00 for every succeeding year until the same is finally sold. They would thereafter equally divide the proceeds from the sale.

⁴ Id. at 75-76.

⁵ Id. at 125.

⁶ Id. at 53.

⁷ See Certificate of Marriage, id. at 136.

⁸ Id. at 125.

⁹ Id. at 145.

¹⁰ Id. at 137.

¹¹ Docketed as Case No. 055-08 and raffled to Branch 12, id. at 144-152.

¹² Id. at 138-139.

On September 27, 2009, Eddie left the Philippines to work on board a ship.¹³

Sometime in October of 2009, Verona was confined at the Adventist Hospital in Bangkal, Davao City. She was transferred to Ricardo Limso Medical Center on November 30, 2009.¹⁴ She died on December 8, 2009 due to cardio-respiratory arrest, with "*leukonoid reaction secondary to sepsis or malignancy (occult)*" as antecedent cause.¹⁵

Eddie claimed that he was unaware of Verona's hospital confinement. On December 9, 2009, his brother Jun Dizon (Jun), called him through the telephone and informed him about Verona's death. Eddie intended to promptly return to the Philippines before Verona's burial. Hence, he advised Jun to ask Verona's relatives to wait for his arrival.¹⁶

It took a while before Eddie's employer finally permitted him to go home. Verona was already buried before Eddie's arrival on December 21, 2009.¹⁷

Thereafter, a copy of a Deed of Absolute Sale (Deed),¹⁸ dated December 1, 2009, was shown to Eddie. Its subject was the disputed property conveyed to herein respondent, Yolanda Vida P. Beltran (Vida), for ₱1,500,000.00.¹⁹

Eddie alleged that the Deed was falsified, and his and Verona's signatures thereat were forgeries.²⁰

In January of 2010, Eddie filed two complaints against Vida. One was a civil case for nullification of the Deed, and for payment of damages and attorney's fees.²¹ The other was a criminal complaint for falsification of public document.²² He also caused the annotation of a notice of *lis pendens* upon TCT No. T-351707.²³

¹³ Id. at 192.

¹⁴ Id. at 193.

¹⁵ See Certificate of Death, id. at 140.

¹⁶ Id. at 192.

¹⁷ Id. at 192-193.

¹⁸ Id. at 141-142.

¹⁹ Id. at 192.

²⁰ Id.

²¹ Id. at 124-135.

²² Id. at 156-162.

²³ Id. at 29.

On April 6, 2010, TCT No. T-351707 was cancelled, and in its place, TCT No. T-146-2010002236 was issued in Vida's name.²⁴ Eddie belatedly discovered about the foregoing fact sometime in May 2010 after Davao Light and Power Company cut off the electrical connection purportedly upon the advice of the new owner of the disputed property.²⁵

Ruling of the Municipal Trial Court in Cities

In June of 2010, Vida filed before the Municipal Trial Court in Cities (MTCC) of Davao City an action for unlawful detainer²⁶ against the petitioners, James and their unnamed relatives, house helpers and acquaintances residing in the disputed property.²⁷

Vida alleged that she is the registered owner of the disputed property. While the Deed evidencing the conveyance in her favor was executed on December 1, 2009, Eddie pre-signed the same on April 9, 2008 before he left to work abroad. The Spouses Dizon's respective lawyers witnessed the signing. After Verona's death, Vida tolerated the petitioners' stay in the disputed property. On May 18, 2010, Vida sent a formal letter requiring the petitioners to vacate the disputed property, but to no avail.²⁸

The petitioners sought the dismissal of Vida's complaint arguing that at the time the Deed was executed, Verona was already unconscious. Eddie, on the other hand, could not have signed the Deed as well since he left the Philippines on September 27, 2009 and returned only on December 21, 2009. Further, Verona's signature appearing on the Deed was distinctly different from those she had affixed in her petition for the issuance of a temporary protection order and Compromise Agreement, dated March 26, 2008 and April 9, 2008, respectively. Besides, the purchase price of ₱1,500,000.00 was not in accord with the Spouses Dizon's agreement to sell the disputed property for not less than ₱4,000,000.00.²⁹

On November 11, 2011, the MTCC rendered a Decision³⁰ directing the petitioners and their co-defendants to turn over to Vida the possession of the disputed property, and pay ₱1,000.00 monthly rent from July 12, 2010 until the said property is vacated, ₱20,000.00 as attorney's fees and cost of suit. Vida was, however, ordered to pay therein defendants ₱414,459.78 as remaining balance relative to the sale.³¹

²⁴ Id. at 194.

²⁵ Id. at 193.

²⁶ Docketed as Civil Case No. 21,755-A-10.

²⁷ *Rollo*, p. 187.

²⁸ Id. at 190.

²⁹ Id. at 192-193.

³⁰ Rendered by Presiding Judge Leo Tolentino Madrazo; id. at 187-200.

³¹ Id. at 200.

The MTCC rationalized as follows:

The claim of [the petitioners] as to the falsity of the sale is a collateral attack on the generated title itself, which can only be impugned in a direct proceeding litigated for that matter. The fact that [Eddie] resigned the [Deed] prior to the death of [Verona], in the presence of counsels[,] which remained unrebutted[,] was in fact giving consent to the act of disposing the property to answer for any exigency or impending situation that will arise later[,] which may or may not be entirely connected with the medical requirements of his ailing spouse[,] whose health condition at that time of the execution [of the Deed] ha[d] apparently started to deteriorate. Records show [that] [Vida] incurred a hefty sum of One Million Eighty-Five Thousand Five Hundred and Forty pesos and twenty-one centavos (**P1,085,540.21**) for both medical and burial expenses of the deceased of which [Eddie] failed to support in violation of the Civil Code on the rights and, [sic] obligation of the husband and wife to render mutual support.

x x x x

While evidences were presented to prove the existence of fraud in the execution of the instrument[,] the same cannot be appreciated in this summary action for want of jurisdiction.

x x x [A] notarized document carries the evidentiary weight conferred upon it with respect to its due execution, and documents acknowledged before a notary public have in their favor the presumption of regularity. x x x.

x x x x

x x x The sole issue to be resolved is whether or not defendants unlawfully withheld the property sold to [Vida.]

x x x x

While it is true that defendants herein filed both civil and criminal cases for the Nullification of the [Deed] and Falsification alleging forgeries, the issues therein are entirely different from this ejectment case. The criminal case, [sic] only proves the existence of probable cause to determine criminal culpability. The nullification tackles the validity or invalidity of the sale on grounds of falsity.

The prevailing doctrine is that suits or actions for the annulment of sale, title or document do not abate any ejectment action respecting the same property x x x.

x x x x

x x x [C]onsidering the conjugal nature of the property and the subsequent dissolution of the conjugal partnership upon the death of [Verona] on December 08, 2009, with the execution of conveyance in favor of [Vida], this Court deemed it equitable and just for [Vida], to



return to [Eddie], [sic] the remaining balance of the sale representing the net amount less the total actual medical and burial expenses of [Verona] from the proceeds of the sale, in the amount of **FOUR HUNDRED, FOURTEEN THOUSAND FOUR HUNDRED, FIFTY-NINE PESOS AND SEVENTY-NINE centavos (P414,459.79)** in the absence of evidence to that effect and for reasons of equity.³²

Ruling of the RTC

The petitioners filed an appeal³³ before the RTC. During its pendency, Vida filed a motion for the issuance of a writ of execution. On June 13, 2012, the RTC reversed the MTCC ruling, dismissed the complaint for unlawful detainer and denied Vida's motion for the issuance of a writ of execution.³⁴ The RTC explained that:

Under Republic Act No. 7691 expanding the jurisdiction of the Metropolitan Trial Courts, [MTCCs], Municipal Trial Courts, and Municipal Circuit Trial Courts, amending Batas Pambansa [Blg.] 129, otherwise known as the "Judiciary Reorganization Act of 1980,["] paragraph 2, of Section 33 therein provides that the court of first level has "x-x- Exclusive Original jurisdiction over cases of forcible entry and unlawful detainer: Provided, that when, in such cases, the defendant raises the question of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership[, the latter] shall be resolved only to determine the issue of possession[.]["] x x x

In the pleadings of the [petitioners] filed before the court a quo, and even in their memorandum on appeal, they vigorously raise[d] the question of ownership of [Vida] based on the alleged notarized [Deed] signed by [Eddie] in favor of [Vida] where the latter derived her so-called ownership over the subject premises[.] Truly indeed upon examination by any sensible man[,] it would reveal that the signature[s] of [the Spouses Dizon] appearing at the bottom of the alleged Deed [were] falsified x x x. Thus, a document challenged by a party in litigation as falsified may be proved without resorting to an opinion of handwriting experts. x x x.

In another case[,] the Supreme Court held that: "x-x- A finding of forgery does not entirely depend on the testimony of handwriting experts. Although it is useful[,] the judge still exercises independent judgment on the issue of authenticity of the signatures under scrutiny by comparing the alleged forged signature and the authentic and genuine signatures of the person whose signature is theorized upon to have been forged. x x x

This court x x x took occasion in comparing and examining the signature of [Verona] in the [Deed] x x x vis-à-vis her signature appearing in the compromise agreement executed [with Eddie] x x x[.] [The comparison] lucidly showed that the signatures of [Verona] [were] x x x

³² Id. at 196-199.

³³ Docketed as Civil Case No. 34,450-2012.

³⁴ Rendered by Presiding Judge George E. Omelio; *rollo*, pp. 201-207.

very different from each other and [the differences are] detectable by a human eye. x x x.

x x x x

Another thing that caught the curiosity of this court is the stipulation contained in the compromise agreement x x x wherein [the Spouses Dizon] agreed x x x that the "x-x- net selling price of the said conjugal property should be sold not lower than FOUR MILLION (P4,000,000.00) PESOS for the year 2008 x x x."

x x x x

x x x [T]here was never proof adduced that the compromise agreement adverted to was rescinded or modified by the [Spouses Dizon]. To the view of this Court[,] the consideration of the said [Deed] x x x has an indicia of fraud x x x [and] the signature[s] of the [Spouses Dizon] as falsified. [A] [f]alsified document cannot give right or ownership to a party who uses it.

x x x x

x x x To justify an action for unlawful detainer[,] the permission or tolerance must have been present at the beginning of the possession[.]-x-x-x- Since the complaint did not satisfy the jurisdictional requirement of a valid cause for unlawful detainer, the [MTCC] had no jurisdiction over the case. x x x.³⁵ (Emphasis and underlining in the original)

Ruling of the CA

Vida assailed the foregoing *via* a petition for review, which the CA granted in the herein assailed decision and resolution. The CA's reasons are cited below:

[Vida] was able to sufficiently allege and consequently established the requisites of unlawful detainer.

First, [Vida] alleged that she is the registered owner of the [disputed] property and she merely tolerated the continuous possession of the [petitioners] [of] the [disputed] property after she purchased it and had it titled in her name. *Second*, [the petitioners'] possession became illegal upon notice by [Vida] to [the petitioners] of the termination of the [petitioners'] right of possession as shown by the Notice to Vacate dated 18 May 2010 sent by [Vida's] counsel to [the petitioners]. *Third*, [the petitioners] refused to vacate the [disputed] property x x x thereby depriving [Vida] of the enjoyment thereof. And *fourth*, [Vida] instituted the complaint dated 03 June 2010 for unlawful detainer within one (1) year from demand to vacate the premises. x x x.

x x x x

³⁵

Id. at 203-206.

x x x While the said [Deed] was questioned by [the petitioners] for being a nullity in a separate case, yet, it should be emphasized that the determination of the validity or the nullity of the [Deed] should be properly threshed out in that separate proceeding and not in the summary action for unlawful detainer. x x x.

x x x x

x x x Nothing is more settled than the rule that “[i]n an unlawful detainer case, the sole issue for resolution is the physical or material possession of the property involved, independent of any claim of ownership by any of the parties. However, where the issue of ownership is raised, the courts may pass upon the issue of ownership in order to determine who has the right to possess the property. The Court stresses, however, that this adjudication is only an initial determination of ownership for the purpose of settling the issue of possession, the issue of ownership being inseparably linked thereto. The lower court's adjudication of ownership in the ejectment case is merely provisional and would not bar or prejudice an action between the same parties involving title to the property. It is, therefore, not conclusive as to the issue of ownership, which is the subject matter of a separate case for annulment of [the Deed] filed by [the petitioners].

x x x [T]he RTC[,] in resolving the issue of possession in the unlawful detainer case[,] has not only provisionally passed upon the issue of ownership of the [disputed] property but it in fact made a determinative and conclusive finding on the ownership thereof, contrary to the settled rule that in [an] unlawful detainer case, the only issue to be resolve[d] by the court is the physical or material possession of the property involved x x x.

x x x [W]hile the Court may make provisional determination of ownership in order to determine who between [Vida] and [the petitioners] had the better right to possess the property, yet, the court is proscribed from making a conclusive finding on this issue. x x x [T]he RTC has already made a preemptive finding on the validity or invalidity of the document, [but] the resolution thereof properly pertains to a separate proceeding pending before it in a separate case. x x x.

x x x x

x x x [T]his Court agrees with the contention of [Vida] that the RTC's pronouncement that the signatures in the [Deed] were forged and [Vida's] title issued pursuant thereto is void is a collateral attack on [Vida's] title which violates the [principle of] indefeasibility of the Torrens title. x x x.

x x x x

Verily, unless and until [Vida's] title over the [disputed] property is annulled in a separate proceeding instituted by [the petitioners], the same is valid and [Vida] has the right to possess the subject property, being an attribute of her ownership over it. x x x.

x x x x

/

x x x [T]o stay the immediate execution of judgment in ejectment proceedings, the defendant-appellant must: (a) perfect his appeal, (b) file a supersedeas bond, and (c) periodically deposit the rentals falling due during the pendency of the appeal.

x x x [T]he supersedeas bond was paid by [the petitioners] only on 02 May 2012. x x x [T]he bond filed by [the petitioners] in order to stay the immediate execution of the MTCC Decision was filed out of time as it was not filed within the period to appeal.

x x x [T]he failure of the [petitioners] in this case to comply with *any* of the conditions provided under Section 19, Rule 70 of the Rules of Court is a ground for the *outright execution* of the judgment, the duty of the court in this respect being “ministerial and imperative.” x x x.

Thus, as the supersedeas bond was filed out of time or beyond the period to appeal, [Vida’s] motion for immediate execution should have been acted upon by the RTC and the writ of execution should have been issued as a matter of right.³⁶ (Citations omitted and italics in the original)

The CA, through the herein assailed resolution,³⁷ denied the petitioners’ motion for reconsideration.³⁸

Issues

The instant petition is anchored on the issues of whether or not:

- (1) Vida has a cause of action for unlawful detainer against the petitioners considering that the Deed she relied upon in filing her complaint was falsified, hence, null; and
- (2) the RTC correctly ruled that in an unlawful detainer case, the MTCC can resolve the issue of ownership.³⁹

In support thereof, the petitioners point out that relative to the falsification case filed by Eddie against Vida, the Office of the Davao City Prosecutor issued a Resolution,⁴⁰ dated June 11, 2010, stating that no expert eye is needed to ascertain that the signatures appearing in the Deed were different from the standard signatures of the Spouses Dizon. Further, on September 20, 2010, another resolution⁴¹ was issued finding probable cause to indict Vida for the crime of falsification of public documents. Thereafter,

³⁶ Id. at 61-71.

³⁷ Id. at 78-81.

³⁸ Id. at 87-101.

³⁹ Id. at 30.

⁴⁰ Issued by Prosecutor II Victor C. Sepulveda; id. at 163-164.

⁴¹ Id. at 172.

the MTCC issued a Warrant of Arrest⁴² against Vida.

The petitioners also insist that no Deed was executed conveying the disputed property in Vida's favor. When the Deed was purportedly executed on December 1, 2009, Verona was already unconscious, while Eddie was abroad. Having been simulated, the Deed was void and nonexistent. It produced no effect and cannot create, modify or extinguish a juridical relation. Hence, Vida had no right to transfer the title in her name using the falsified Deed. Perforce, her complaint for unlawful detainer against the petitioners had no leg to stand on and should be dismissed.

Citing *Spouses De Guzman v. Agbagala*,⁴³ the petitioners claim that the rule on non-collateral attack of a Torrens title does not apply in a case where the title is void from the start. An action to declare the nullity of a void title does not prescribe and is susceptible to direct, as well as to collateral attack.⁴⁴

Anent the belated posting of the supersedeas bond, the petitioners stress that fault cannot be ascribed to them. They waited for the MTCC's order approving and fixing the amount. When the order was finally issued, the petitioners were required to post the bond before the RTC and deposit the monthly rental as well. The petitioners complied before the RTC rendered its Decision dated June 13, 2012.⁴⁵

As counterclaims, the petitioners impute malice and bad faith against Vida in filing the complaint for unlawful detainer. The petitioners, thus, pray for the award of ₱1,000,000.00 as moral damages, ₱500,000.00 as exemplary damages, ₱50,000.00 as attorney's fees, and ₱2,000.00 for each appearance of their counsel.⁴⁶

In Vida's Comment,⁴⁷ she argues that the petitioners' claim of forgery is yet to be proven in court by clear, positive and convincing evidence. Having been notarized, the Deed enjoys the presumption of due execution, and shall remain valid unless annulled in a proper proceeding. Besides, the allegations of forgery and nullity of the Deed are immaterial in a summary action for unlawful detainer. Allowing the foregoing claims to be litigated amounts to a collateral attack on Vida's title.

⁴² Id. at 173.

⁴³ 569 Phil. 607 (2008).

⁴⁴ *Rollo*, p. 40.

⁴⁵ Id. at 41-42.

⁴⁶ Id. at 42-43.

⁴⁷ Id. at 220-228.

Vida also points out that the petitioners paid the supersedeas bond only on May 2, 2012, beyond the period to perfect an appeal.⁴⁸

Ruling of the Court

On matters of procedure

While the petitioners explicitly raise only two substantive issues, in the body of the petition, they discuss procedural matters anent their payment of the supersedeas bond and an alleged error on the part of the CA in concluding that the RTC should have issued a writ of execution relative to the MTCC's decision in Vida's favor.⁴⁹

The petitioners admit that they posted the supersedeas bond beyond the period to perfect an appeal, but claim that it was the MTCC, which belatedly fixed the amount. Pending the appeal they had filed before the RTC, they promptly posted the bond after the amount was determined by the MTCC.⁵⁰

In *Spouses Chua v. CA*,⁵¹ the Court ruled that:

Petitioners need not require the MTC to fix the amount of the supersedeas bond. They could have computed this themselves. As early as 1947, we have held in *Aylon vs. Jugo and De Pablo* that the supersedeas bond is equivalent to the amount of rentals, damages and costs stated in the judgment.⁵²

If the cited case were to be applied, the petitioners' failure to post the supersedeas bond within the allowable period shall result in the immediate execution of the MTCC judgment. Nonetheless, in *City of Naga v. Hon. Asuncion, et al.*,⁵³ the Court has carved exceptions to immediate execution of judgments in ejectment cases, *viz.*:

Petitioner herein invokes seasonably the exceptions to immediate execution of judgments in ejectment cases cited in *Hualam Construction and Dev't. Corp. v. Court of Appeals* and *Laurel v. Abalos*, thus:

⁴⁸ Id. at 226.

⁴⁹ Id. at 40-42.

⁵⁰ Id. at 41-42.

⁵¹ 350 Phil. 74 (1998).

⁵² Id. at 84.

⁵³ 579 Phil. 781 (2008).

Where supervening events (occurring subsequent to the judgment) bring about a material change in the situation of the parties which makes the execution inequitable, or where there is no compelling urgency for the execution because it is not justified by the prevailing circumstances, the court may stay immediate execution of the judgment.

Noteworthy, the foregoing exceptions were made in reference to Section 8, Rule 70 of the old Rules of Court which has been substantially reproduced as Section 19, Rule 70⁵⁴ of the 1997 Rules of Civil Procedure. Therefore, even if the appealing defendant was not able to file a supersedeas bond, and make periodic deposits to the appellate court, immediate execution of the MTC decision is not proper where the circumstances of the case fall under any of the above-mentioned exceptions. x x x.⁵⁵ (Citations omitted and underlining ours)

In *Laurel, et al. v. Hon. Abalos, etc., et al.*,⁵⁶ therein respondent filed an action for reformation of the deed of sale against therein petitioners pending the appeal of the unlawful detainer case before the RTC. The RTC thereafter denied therein petitioners' motion for the issuance of a writ of execution relative to the MTCC judgment, and required therein respondent to post a supersedeas bond. According to the Court, the peculiar environmental circumstances obtaining in the case justify the non-immediate execution of the MTCC's judgment pending appeal. The Court further expounded as follows:

[T]his Court took pains at length to explain that this provision (regarding immediate execution of the judgment of inferior courts in cases of unlawful detainer) can be availed of only if no question of title is involved and the ownership or the right to the possession of the property is an admitted fact. Through Mr. Justice Labrador, this Court said in *De los Reyes vs. Castro, et al.*:

⁵⁴ **Section 19. Immediate execution of judgment; how to stay same.** — If judgment is rendered against the defendant, execution shall issue immediately upon motion unless an appeal has been perfected and the defendant to stay execution files a sufficient supersedeas bond, approved by the Municipal Trial Court and executed in favor of the plaintiff to pay the rents, damages, and costs accruing down to the time of the judgment appealed from, and unless, during the pendency of the appeal, he deposits with the appellate court the amount of rent due from time to time under the contract, if any, as determined by the judgment of the Municipal Trial Court. In the absence of a contract, he shall deposit with the Regional Trial Court the reasonable value of the use and occupation of the premises for the preceding month or period at the rate determined by the judgment of the lower court on or before the tenth day of each succeeding month or period. The supersedeas bond shall be transmitted by the Municipal Trial Court, with the papers, to the clerk of the Regional Trial Court to which the action is appealed.

x x x Should the defendant fail to make the payments above prescribed from time to time during the pendency of the appeal, the appellate court, upon motion of the plaintiff, and upon proof of such failure, shall order the execution of the judgment appealed from with respect to the restoration of possession, but such execution shall not be a bar to the appeal taking its course until the final disposition thereof on the merits.

x x x (Underlining ours)

⁵⁵ *City of Naga v. Hon. Asuncion, et al.*, supra note 53, at 797.

⁵⁶ 140 Phil. 532 (1969).

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.... The provision for the immediate execution of a judgment of the justice of the peace court in actions of unlawful detainer under Section 8 of Rule 72 of the [old] Rules of Court, is not applicable to an action of detainer like the present, where there is no immediate urgency for the execution because it is not justified by the circumstances. This view is based on the history of the action of forcible entry. This action originated in the English common law where it was originally in the form of a criminal proceeding whereby lands or properties seized through the use of force could immediately be returned. x x x.

It is the opinion of the writer that inasmuch as the property now subject of litigation was originally sold only with right to repurchase to the plaintiff, so that the plaintiff was not really and originally the owner and possessor of the property, and since there are reasonable grounds to believe that the contract entered into between them was not one of lease but one of loan with mortgage of the property, the right of the plaintiff to the immediate possession of the property is not apparent, clear or conclusive, and neither should his right to the immediate execution of the property [be] allowed until opportunity to settle the question of ownership is had. In other words, the writer of the opinion holds that while Section 8 of Rule 72 is applicable also in cases of unlawful detainer, the immediate execution it provides for may be availed of only if no question of title is involved and the ownership and the right to the possession of the property is an admitted fact.

x x x x

Where supervening events (occurring subsequent to the judgment) bring about a material change in the situation of the parties which makes the execution inequitable, or where there is no compelling urgency for the execution because it is not justified by the prevailing circumstances, the court may stay immediate execution of the judgment.

The assertion by Laput of "ownership" of the house she is occupying, the appeal pending in the [CA] from the decision in Civil Case 1517 which declared null and void from the beginning the deed of sale in favor of the petitioners, the latter's unexplained silence in the face of the manifestation filed by Laput informing this Court of the supervening occurrences, and their failure to submit their comment as required by this Court, are strong and sufficient additional reasons, cumulatively, to justify the dismissal of the present petition.⁵⁷ (Citations, emphasis and italics omitted, and underlining ours)

⁵⁷

Id. at 541-544.



By analogy, in the unlawful detainer case from which the instant petition arose, Eddie was originally a co-owner of the disputed property, and he remains in possession thereof. Vida, on the other, is not even a resident of Davao City.⁵⁸ Moreover, prior to Vida's filing of the unlawful detainer case, Eddie had already instituted actions for nullification of the Deed and falsification of public documents. The Office of the Davao City Prosecutor had likewise made a preliminary determination of probable cause that forgery was committed. Eddie, thus, insists that no valid conveyance was made by Verona to Vida. In the mind of the Court, the foregoing are persuasive reasons justifying the non-immediate execution of the MTCC judgment despite the petitioners' belated posting of the supersedeas bond. Hence, the CA erred in declaring that the RTC improperly denied Vida's motion for the issuance of a writ of execution pending appeal.

On substantive issues

Being interrelated, the two substantive issues raised shall be discussed jointly. Essentially, the petitioners allege that the MTCC should have dismissed Vida's complaint for unlawful detainer for lack of basis as the Deed she relied upon is falsified and void. It is also claimed that the CA erred in not upholding the RTC's ruling that the latter can take cognizance of the issue of ownership in an unlawful detainer case.

The Court finds merit in the petitioners' arguments.

In *Consolacion D. Romero and Rosario S.D. Domingo v. Engracia D. Singson*,⁵⁹ where there were similar allegations of forgery and the issue of ownership was raised in the ejectment case, the Court pronounced:

In arriving at its pronouncement, the CA passed upon the issue or claim of ownership, which both parties raised. While the procedure taken is allowed - under Section 16, Rule 70⁶⁰ of the 1997 Rules of Civil Procedure, the issue of ownership may be resolved only to determine the issue of possession - the CA nonetheless committed serious and patent error in concluding that based solely on respondent's TCT 12575 issued in her name, she must be considered the singular owner of the subject property and thus entitled to possession thereof - pursuant to the principle that "the person who has a Torrens Title over a land is entitled to possession thereof." Such provisional determination of ownership should have been resolved in petitioners' favor.

⁵⁸ *Rollo*, pp. 164, 172.

⁵⁹ G.R. No. 200969, August 3, 2015.

⁶⁰ **Section 16. Resolving defense of ownership.** — When the defendant raises the defense of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership shall be resolved only to determine the issue of possession.

When the deed of sale in favor of respondent was purportedly executed by the parties thereto and notarized on June 6, 2006, it is perfectly obvious that the signatures of the vendors therein, Macario and Felicidad, were forged. They could not have signed the same, because both were by then long deceased: Macario died on February 22, 1981, while Felicidad passed away on September 14, 1997. This makes the June 6, 2006 deed of sale null and void; being so, it is "equivalent to nothing; it produces no civil effect; and it does not create, modify or extinguish a juridical relation."

And while it is true that respondent has in her favor a Torrens title over the subject property, she nonetheless acquired no right or title in her favor by virtue of the null and void June 6, 2006 deed. "Verily, when the instrument presented is forged, even if accompanied by the owner's duplicate certificate of title, the registered owner does not thereby lose his title, and neither does the assignee in the forged deed acquire any right or title to the property."

x x x x

Insofar as a person who fraudulently obtained a property is concerned, the registration of the property in said person's name would not be sufficient to vest in him or her the title to the property. A certificate of title merely confirms or records title already existing and vested. The indefeasibility of the Torrens title should not be used as a means to perpetrate fraud against the rightful owner of real property. Good faith must concur with registration because, otherwise, registration would be an exercise in futility. A Torrens title does not furnish a shield for fraud, notwithstanding the long-standing rule that registration is a constructive notice of title binding upon the whole world. The legal principle is that if the registration of the land is fraudulent, the person in whose name the land is registered holds it as a mere trustee.

Since respondent acquired no right over the subject property, the same remained in the name of the original registered owners, Macario and Felicidad. Being heirs of the owners, petitioners and respondent thus became, and remain co-owners - by succession - of the subject property. As such, petitioners may exercise all attributes of ownership over the same, including possession - whether *de facto* or *de jure*; respondent thus has no right to exclude them from this right through an action for ejectment.

With the Court's determination that respondent's title is null and void, the matter of direct or collateral attack is a foregone conclusion as well. "An action to declare the nullity of a void title does not prescribe and is susceptible to direct, as well as to collateral, attack;" petitioners were not precluded from questioning the validity of respondent's title in the ejectment case.⁶¹ (Citations and emphasis omitted and underlining ours)

⁶¹

Consolacion D. Romero and Rosario S.D. Domingo v. Engracia D. Singson, supra note 59.

In the case at bar, when the Deed was executed on December 1, 2009, Eddie claimed that he was abroad while Verona was already unconscious. Vida did not directly refute these allegations and instead pointed out that the Deed was pre-signed in April of 2008. The foregoing circumstances reduced the Deed into the category of a private instrument as can be drawn from the Court's discussion in *Adelaida Meneses (deceased) v. Venturozo*,⁶² viz.:

As notarized documents, [Deeds] carry evidentiary weight conferred upon them with respect to their due execution and enjoy the presumption of regularity which may only be rebutted by evidence so clear, strong and convincing as to exclude all controversy as to falsity. The presumptions that attach to notarized documents can be affirmed only so long as it is beyond dispute that the notarization was regular. A defective notarization will strip the document of its public character and reduce it to a private instrument. Consequently, when there is a defect in the notarization of a document, the clear and convincing evidentiary standard normally attached to a duly-notarized document is dispensed with, and the measure to test the validity of such document is preponderance of evidence.⁶³ (Citations omitted and underlining ours)

Further, in *Dela Rama, et al. v. Papa, et al.*,⁶⁴ the Court elucidated that:

Papas['] admissions, refreshing in their self-incriminatory candor, bear legal significance. With respect to deeds of sale or conveyance, what spells the difference between a public document and a private document is the acknowledgment in the former that the parties acknowledging the document appear before the notary public and specifically manifest under oath that they are the persons who executed it, and acknowledge that the same are their free act and deed. x x x

x x x x

The presumptions that attach to notarized documents can be affirmed only so long as it is beyond dispute that the notarization was regular. We cannot ascribe that conclusion at bar to the deed of sale. Respondent failed to confirm before the RTC that he had actually appeared before the notary public, a bare minimum requirement under Public Act No. 2103. Such defect will not *ipso facto* void the deed of sale. However, it eliminates the presumptions that are carried by notarized public documents and subject the deed of sale to a different level of scrutiny than that relied on by the [CA]. This consequence is with precedent. In *Tigno v. Sp. Aquino*, where the public document in question had been notarized by a judge who had no authority to do so, the Court dispensed with the clear and convincing evidentiary standard normally attached to duly notarized documents, and instead applied preponderance of evidence as the measure to test the validity of that document.⁶⁵ (Citations omitted and underlining ours)

⁶² 675 Phil. 641 (2011).

⁶³ Id. at 651-652.

⁶⁴ 597 Phil. 227 (2009).

⁶⁵ Id. at 241-242.

In the instant petition, Vida impliedly admits the irregularity of the Deed's notarization as both of the vendors were not personally present. Consequently, due execution can no longer be presumed. Besides, the extant circumstances surrounding the controversy constitute preponderant evidence suggesting that forgery was committed. Eddie promptly filed a criminal case for falsification of documents and a civil case to nullify the Deed. Later, the Office of the Davao City Prosecutor found probable cause to indict Vida for falsification. Consequently, the issue of ownership cannot be disregarded in the unlawful detainer case. It bears stressing though that while the RTC aptly resolved the issue of ownership, it is at best preliminary and shall not be determinative of the outcome of the two other cases filed by Eddie against Vida.

Other matters

The Court observes that the MTCC ruling, which the CA affirmed, is based partly on equitable grounds. Notably, the MTCC referred to Verona's medical expenses of ₱1,085,540.21, which Vida had shouldered.⁶⁶ The Court commiserates with Vida, if indeed she remains unpaid by Eddie for Verona's medical and burial expenses. However, a creditor cannot resort to procedural shortcuts to collect in kind for sums of money owed by a debtor.

In sum, the Court agrees with the RTC that the dismissal of Vida's complaint for unlawful detainer is in order.

WHEREFORE, the instant petition is **GRANTED**. The Decision and Resolution, dated January 23, 2015 and September 7, 2015, respectively, of the Court of Appeals in CA-G.R. SP No. 05256-MIN, are **SET ASIDE**. The Decision dated June 13, 2012 of the Regional Trial Court of Davao City, Branch 14, in Civil Case No. 34,450-2012, is **REINSTATED**. Consequently, Yolanda Vida P. Beltran's complaint for unlawful detainer is **DISMISSED**.

SO ORDERED.



BIENVENIDO L. REYES
Associate Justice

⁶⁶ *Rollo*, p. 196.

WE CONCUR:

PRESBITERO J. VELASCO, JR.

Associate Justice
Chairperson

Lucas P. Bersamin
LUCAS P. BERSAMIN

Associate Justice

Francis H. Jardeleza
FRANCIS H. JARDELEZA

Associate Justice

Alfredo Benjamin S. Caguioa
ALFREDO BENJAMIN S. CAGUIOA

Associate Justice

ATTESTATION

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

PRESBITERO J. VELASCO, JR.

Associate Justice
Chairperson

A

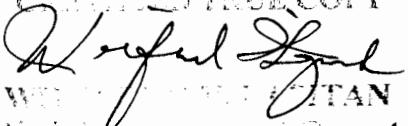
CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice

SERIALIZED TRUE COPY

WILHELMUS G. LITAN
Division Court
Clerk of Court
FEB 03 2017

FEB 03 2017

