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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

THE HEIRS OF PETER DONTON, through their legal representative, FELIPE G. CAPULONG,

Petitioners,

- versus -

DUANE STIER and EMILY MAGGAY,

Respondents.

G.R. No. 216491

Present:

CARPIO, J., * Chairperson,
PERALTA,
PERLAS-BERNABE,
CAGUIOA, ** and
REYES, JR., JJ.

Promulgated:

123 AUG 2017

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated June 13, 2014 and the Resolution³ dated January 21, 2015 rendered by the Court of Appeals (CA) in CA-G.R. CV No. 97138, which affirmed the Decision⁴ dated December 14, 2009 and the Order⁵ dated May 4, 2011 of the Regional Trial Court of Quezon City, Branch 215 (RTC) dismissing the complaint for annulment of title and reconveyance of property with damages originally filed by now-deceased⁶ Peter Donton (Donton), the predecessor of herein petitioners Heirs of Peter Donton (petitioners), for insufficiency of evidence.

* Acting Chief Justice per Special Order No. 2469 dated August 22, 2017.
** On leave.
¹ *Rollo*, pp. 57-65.
² Id. at 82-92. Penned by Associate Justice Normandie B. Pizarro with Presiding Justice Andres B. Reyes, Jr. and Associate Justice Manuel M. Barrios concurring.
³ Id. at 93-94.
⁴ Records, Vol. II, pp. 418-424. Penned by Judge Ma. Luisa C. Quijano-Padilla.
⁵ Id. at 455-457.
⁶ See Certificate of Death; records, Vol. I, p. 263, including dorsal portion thereof.

The Facts

The subject matter of this case is a parcel of land with improvements located at No. 33, Don Jose Street, Murphy, Cubao, Quezon City, consisting of 553.60 square meters,⁷ more or less (subject property). It was previously covered by Transfer Certificate of Title (TCT) No. N-137480⁸ of the Registry of Deeds of Quezon City under the name of Donton until its registration in the names of respondents Duane Stier (Stier) and Emily Maggay (Maggay; collectively, respondents) under TCT No. N-225996.⁹

Sometime in June 2001, while Donton was in the United States, he discovered that herein respondents took possession and control of the subject property, as well as the management of his business operating thereat.¹⁰ Donton's lawyers in the Philippines made demands upon respondents to vacate the subject property and to cease and desist from operating his business, but to no avail.¹¹ Thus, Donton was forced to return to the Philippines, where he learned that respondents, through alleged fraudulent means, were able to transfer the ownership of the subject property in their names.¹² Accordingly, his title, TCT No. N-137480, had been cancelled and a new one, TCT No. N-225996, had been issued in respondents' names.

Hence, he filed the instant complaint¹³ for annulment of title and reconveyance of property with damages against respondents and the Register of Deeds of Quezon City, alleging that the signature on the Deed of Absolute Sale¹⁴ dated July 16, 2001, by virtue of which he purportedly sold the subject property to respondents, was a forgery.¹⁵ He denied signing or executing the document in favor of respondents, especially considering that on the date of its purported execution, *i.e.*, July 16, 2001, he was allegedly still in the United States, having departed from the Philippines on June 27, 2001 and returned only on August 30, 2001.¹⁶ He averred that respondents conspired with the employees of the Registry of Deeds of Quezon City to defraud him, and that Stier is an American citizen and a non-resident alien who is, therefore, not allowed by law to own any real property in the Philippines.¹⁷ Accordingly, he prayed that TCT No. N-225996 in respondents' names be annulled and cancelled; that a new title be issued in his name as the rightful owner of the subject property; and that respondents be ordered to pay him ₱1,000,000.00 as moral damages, ₱200,000.00 as

⁷ Id. at 12.

⁸ Id. at 10.

⁹ Id. at 11.

¹⁰ Records, Vol. II, p. 418.

¹¹ Id.

¹² Id. at 418-419.

¹³ Records, Vol. I, pp. 1-6.

¹⁴ Id. at 194-195.

¹⁵ Id. at 3.

¹⁶ See Copy of Donton's passport with immigration stamps; id. at 196-197.

¹⁷ Id. at 3-4.

exemplary damages, ₱200,000.00 as attorney's fees, and ₱200,000.00 as litigation expenses.¹⁸

In their Answer with Counterclaim,¹⁹ respondents claimed that the subject property had been lawfully transferred to them, asserting that on September 11, 1995, Donton executed an Occupancy Agreement²⁰ whereby he acknowledged that Stier had been residing thereat since January 5, 1995; that Stier had extended a loan to him in the amount of ₱3,000,000.00 on July 5, 1997, secured by a mortgage over the subject property and its improvements; and that until full payment thereof, Donton allowed Stier to occupy the same. Respondents likewise claimed that Donton executed a Special Power of Attorney (SPA) dated September 11, 1995 in favor of Stier, giving him full authority to sell, mortgage, or lease the subject property.²¹ Unfortunately, Donton failed to pay his obligation to Stier; thus, they initially executed a "unilateral contract of sale"²² dated June 25, 2001 over the subject property. Eventually, however, they executed the Deed of Absolute Sale dated July 16, 2001. As such, respondents argued that Donton cannot feign ignorance of the sale of the subject property to them. By way of counterclaim, respondents prayed for the awards of moral damages in the amount of ₱1,000,000.00, exemplary damages in the amount of ₱200,000.00, and ₱400,000.00 as attorney's fees, and litigation expenses.²³

During trial, Donton presented the findings of Rosario C. Perez (Perez), Document Examiner II of the Philippine National Police (PNP) Crime Laboratory in Camp Crame, who, after comparing the alleged signature of Donton on the Deed of Absolute Sale to his standard ones,²⁴ found "significant divergences in the manner of execution, line quality, stroke structure, and other individual handwriting characteristics" between them, and concluded that they were not written by one and the same person.²⁵ Perez herself testified on the results of her examination.

In an Order²⁶ dated February 9, 2004, the RTC allowed the substitution of petitioners as plaintiffs after Donton passed away on November 22, 2003.

On the other hand, respondents waived²⁷ their right to present their evidence.

¹⁸ Id. at 5-6.

¹⁹ Id. at 35-40.

²⁰ Id. at 41.

²¹ Id. at 37.

²² Id. at 42.

²³ Id. at 39.

²⁴ See Sample Signature of Donton; id. at 215.

²⁵ See Questioned Document Report No. 153-02; id. at 203-204.

²⁶ Id. at 273.

²⁷ Records, Vol. II, p. 416.

The RTC Ruling

In a Decision²⁸ dated December 14, 2009, the RTC dismissed the complaint on the ground of *insufficiency of evidence*,²⁹ finding that the Deed of Absolute Sale, being a public and notarial document, enjoys the presumption of regularity, and thus cannot be simply defeated by Donton's bare allegation of forgery of his signature thereon.³⁰

Likewise, the RTC refused to give probative weight to the expert testimony offered by Perez after the latter admitted that she conducted the examination of the sample signatures not by virtue of a court order, but at the instance of Donton and the Criminal Investigation and Detection Group (CIDG).³¹ She also admitted that she did not know the source of the documents procured by the CIDG that she used in her examination. On this score, the RTC held that the forensic examination and testimony of Perez were self-serving,³² further explaining that it was not bound to accept the findings of a handwriting expert.³³ Therefore, the same cannot be used to invalidate the Deed of Absolute Sale and the title issued to respondents.

Petitioners moved³⁴ to set aside the RTC Decision, which the RTC treated as a motion for reconsideration and which it subsequently denied in an Order³⁵ dated May 4, 2011. In denying petitioners' motion, the RTC reiterated the disquisitions in its Decision and added that petitioners failed to prove that Stier is an American citizen.³⁶ It explained that the only evidence that petitioners presented was a Certification³⁷ from the Bureau of Immigration (BOI) certifying that one Duane Otto Stier, an American citizen, visited the Philippines on September 2, 2001 and left on October 6, 2001. As such, the RTC reasoned that the same was not sufficient to prove Stier's citizenship; at most, it merely proved the alleged travel of the latter.³⁸ Similarly, petitioners failed to show that Stier is married, as alleged in the complaint. With respect to petitioners' contention that Maggay had no capacity to acquire real property, the RTC found the same to be bereft of probative value, being merely an opinion.³⁹ Finally, the allegation that Donton was in the United States from June 27, 2001 until August 30, 2001, and therefore not in the Philippines on July 16, 2001 at the time of the

²⁸ Id. at 418-424.

²⁹ Id. at 424.

³⁰ Id. at 421.

³¹ Id. at 422.

³² Id.

³³ Id. at 424.

³⁴ Id. at 431-435.

³⁵ Id. at 455-457.

³⁶ Id. at 456

³⁷ Records, Vol. I, p. 202.

³⁸ Records, Vol. II, p. 456

³⁹ Id.

⁴⁰ Id.

execution of the sale lost its credibility in the face of his admission that he was in the Philippines in the last week of July 2001.⁴⁰

Aggrieved, petitioners appealed⁴¹ to the CA.

The CA Ruling

In a Decision⁴² dated June 13, 2014, the CA denied the appeal and affirmed the assailed RTC Decision and Order, finding that petitioners failed to substantiate their allegation that Donton's signature on the Deed of Absolute Sale was forged.⁴³ It held that the aforesaid document was notarized and therefore enjoys the presumption of validity, which can only be overturned by clear and convincing evidence.⁴⁴ Further, upon examination of Donton's passport stamps, which petitioners offered in evidence to prove that Donton could not have signed the Deed of Absolute Sale on July 16, 2001, the CA held that although he departed from the Philippines on June 27, 2001, there was no entry stamp of his admittance to the United States sometime between said date and August 30, 2001, the date of his return to the Philippines.⁴⁵

As regards the findings and testimony of Perez, the CA held that "[n]otwithstanding Perez's expert testimony that the questioned signature and the standard signatures [of Donton] were not signed by the same person,"⁴⁶ the RTC was correct in declaring her testimony as self-serving. It considered that Perez did not know the source of the documents, and that it was the CIDG that provided her with Donton's standard signatures. She admitted that she had no actual knowledge of whether the documents given to her for examination came from Donton, and that she merely proceeded to examine them without verifying the source.⁴⁷ Thus, the source of the documents being unverified, it cannot be concluded that the signatures thereon are the genuine signatures of Donton.

Finally, the CA sustained the RTC in ruling that petitioners failed to substantiate their allegation that Stier is an American citizen and married, and that Maggay had no capacity to purchase real property. On this score, the CA quoted with approval the RTC's findings that the BOI-issued Certification procured and presented in evidence by petitioners was insufficient to prove Stier's alleged American citizenship, and that there was

⁴⁰ Id.

⁴¹ Id. at 458.

⁴² *Rollo*, pp. 82-92.

⁴³ See *id.* at 90.

⁴⁴ Id. at 91.

⁴⁵ Id. at 88.

⁴⁶ Id. at 89.

⁴⁷ Id. at 90.

dearth of evidence to further prove their allegation that he is married, or that Maggay had no capacity to purchase real property.⁴⁸

Petitioners' motion for reconsideration⁴⁹ was denied in a Resolution⁵⁰ dated January 21, 2015; hence, this petition.

The Issue Before the Court

The issue for the Court's consideration is whether or not the CA erred in ruling that petitioners failed to discharge the burden of proof required to be entitled to the reliefs prayed for in this case, namely, the annulment of title and reconveyance of property with damages.

The Court's Ruling

The petition is partly meritorious.

At the outset, the Court deems it necessary to underscore that a re-examination of factual findings cannot be done acting on a petition for review on *certiorari* because the Court is not a trier of facts but reviews only questions of law.⁵¹ Thus, in petitions for review on *certiorari*, only questions of law may generally be put into issue.

This rule, however, admits of exceptions, such as **when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record and when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.**⁵² Finding a confluence of certain exceptions in this case, the general rule that only legal issues may be raised in a petition for review on *certiorari* under Rule 45 of the Rules of Court does not apply, and the Court retains the authority to pass upon the evidence presented and draw conclusions therefrom.⁵³

In civil cases, basic is the rule that the party making allegations has the burden of proving them by a preponderance of evidence. Preponderance of evidence is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term

⁴⁸ Id. at 90-91.

⁴⁹ See Motion for Reconsideration dated July 5, 2014; CA *rollo*, pp. 146-155.

⁵⁰ *Rollo*, pp. 93-94.

⁵¹ *Maersk-Filipinas Crewing, Inc. v. Vestruz*, 754 Phil. 307, 317 (2015), citing *Jao v. BCC Products Sales, Inc.*, 686 Phil. 36, 41 (2012).

⁵² *New City Builders, Inc. v. National Labor Relations Commission*, 499 Phil. 207, 213 (2005), citing *The Insular Life Assurance Company, Ltd. v. CA*, 472 Phil. 11, 22-23 (2004).

⁵³ *Maersk-Filipinas Crewing, Inc. v. Vestruz*, supra note 51, at 317-318.

“greater weight of the evidence” or “greater weight of the credible evidence.” It is a phrase which, in the last analysis, means probability of the truth, or evidence which is more convincing to the court as worthier of belief than that which is offered in opposition thereto.⁵⁴

The main thrust of petitioners’ contention in this case is that Donton’s signature on the Deed of Absolute Sale is a forgery. They maintain that it was not possible for him to have signed the said document considering that he was not in the Philippines on July 16, 2001, the date of execution and notarization thereof, he being in the United States at the time. To bolster this argument, they offered in evidence, among others, the immigration stamps on Donton’s passport,⁵⁵ showing that the latter departed from the Philippines on June 20, 2001 and returned on August 30, 2001.

However, as the courts *a quo* have aptly opined, the foregoing immigration stamps are *insufficient* to prove that Donton was physically absent from the country to have been able to appear before the notary public on July 16, 2001, the date of the acknowledgment of the Deed of Absolute Sale. It is well to point out, as the RTC did, that petitioners failed to prove Donton’s arrival or entry in the United States, where he alleged to have gone, and his departure therefrom to return to the Philippines on August 30, 2001. Without evidence of such admittance to and departure from the United States between June 27, 2001 and August 30, 2001, the Court cannot discount the possibility that Donton may have returned to the Philippines anytime between those dates to execute the Deed of Absolute Sale. This is especially so in light of his own admission in the complaint that he returned to the Philippines “sometime in the last week of July 2001”⁵⁶ allegedly to ascertain the truth and veracity of the information he received that the subject property had been transferred to respondents. These inconsistencies heavily militate against him, effectively tainting his credibility as a witness and rendering doubtful the veracity of his testimony.

Furthermore, forgery, as a rule, cannot be presumed and must be proved by clear, positive and convincing evidence, and the burden of proof lies on the party alleging forgery – in this case, petitioners. The fact of forgery can only be established by a comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized to have been forged.⁵⁷ Pertinently, Section 22, Rule 132 of the Revised Rules of Court provides:

Section. 22. *How genuineness of handwriting proved.* – The handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or

⁵⁴ *Spouses Ramos v. Obispo and Far East Bank and Trust Company*, 705 Phil. 221, 232 (2013).

⁵⁵ Records, Vol. I, p. 197.

⁵⁶ Id. at 2, paragraph 6.

⁵⁷ *Gepulle-Garbo v. Spouses Garabato*, 750 Phil. 846, 855-856 (2015).

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been charged, and has thus acquired knowledge of the handwriting of such person. Evidence respecting the handwriting may also be given **by a comparison, made by the witness or the court, with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge.** (Emphasis supplied)

In *Gepulle-Garbo v. Spouses Garabato*,⁵⁸ the Court explained the factors involved in the examination and comparison of handwritings in this wise:

x x x [T]he authenticity of a questioned signature cannot be determined solely upon its general characteristics, similarities or dissimilarities with the genuine signature. Dissimilarities as regards spontaneity, rhythm, pressure of the pen, loops in the strokes, signs of stops, shades, etc., that may be found between the questioned signature and the genuine one are not decisive on the question of the former's authenticity. The result of examinations of questioned handwriting, even with the benefit of aid of experts and scientific instruments, is, at best, inconclusive. There are other factors that must be taken into consideration. The position of the writer, the condition of the surface on which the paper where the questioned signature is written is placed, his state of mind, feelings and nerves, and the kind of pen and/or paper used, play an important role on the general appearance of the signature. Unless, therefore, there is, in a given case, absolute absence, or manifest dearth, of direct or circumstantial competent evidence on the character of a questioned handwriting, much weight should not be given to characteristic similarities, or dissimilarities, between that questioned handwriting and an authentic one.⁵⁹

To prove forgery, petitioners offered in evidence the findings and testimony given by expert witness Perez, who declared that she found "significant divergences in the manner of execution, line quality, stroke structure and other individual handwriting characteristics" between the signature that appears on the Deed of Absolute Sale and the standard signatures of Donton, thereby concluding that they were not written by one and the same person.⁶⁰ On cross-examination, however, Perez admitted that she had no actual knowledge of the source of the specimen signatures given to her for examination, as it was the CIDG personnel who provided her with the same.⁶¹ Thus, as the CA correctly observed, Perez's findings deserve little or no probative weight at all, considering that the signatures which she used for comparison came from an unverified source. Perforce, petitioners are left with no conclusive evidence to prove their allegation that Donton's signature on the Deed of Absolute Sale was forged.

It bears stressing that the opinion of handwriting experts are not necessarily binding upon the court, the expert's function being to place

⁵⁸ Supra note 57.

⁵⁹ Id. at 856, citing *Jimenez v. Commission on Ecumenical Mission, United Presbyterian Church, USA*, 432 Phil. 895, 908-909 (2002).

⁶⁰ See Questioned Document Report No. 153-02; records, Vol. I, pp. 203-204.

⁶¹ TSN, March 26, 2003, pp. 23-24.

before the court data upon which the court can form its own opinion. This principle holds true especially when the question involved is mere handwriting similarity or dissimilarity, which can be determined by a visual comparison of specimens of the questioned signatures with those of the currently existing ones. A finding of forgery does not depend entirely on the testimonies of handwriting experts, because the judge must conduct an independent examination of the questioned signature in order to arrive at a reasonable conclusion as to its authenticity.⁶²

In fine, the Court, therefore, upholds the findings of the courts *a quo* in this respect.

Be that as it may, the Court, however, differs from the findings of the courts *a quo* with respect to Stier's citizenship. More than the Certification⁶³ issued by the BOI, which clearly states that Stier is an American citizen, the records contain other documents validating the information. For instance, in paragraph 1⁶⁴ of respondents' Answer with Counterclaim,⁶⁵ they *admitted* paragraphs 1, 2, and 3 of the Complaint insofar as their personal circumstances are concerned, and paragraph 2 of the Complaint states:

“2. Defendant **DUANE STIER** is of legal age, married, **an American citizen, a non-resident alien** with postal address at Blk. 5, Lot 27, A, B, Phase 1, St. Michael Home Subd., Binangonan, Rizal; x x x”⁶⁶
(Emphases supplied)

Similarly, one of the attachments to the Manifestation⁶⁷ filed by respondents before the RTC is an Affidavit⁶⁸ executed by Stier himself, stating:

“I, DUANE STIER, of legal age, married, **American citizen** x x x”⁶⁹ (Emphasis supplied)

The foregoing statements made by Stier are *admissions against interest* and are therefore binding upon him. An admission against interest is the best evidence which affords the greatest certainty of the facts in dispute since no man would declare anything against himself unless such declaration is true. Thus, an admission against interest binds the person who makes the same, and absent any showing that this was made through palpable mistake,

⁶² Supra note 57, at 856-857.

⁶³ Records, Vol. I, p. 202.

⁶⁴ Id. at 35.

⁶⁵ Id. at 35-40.

⁶⁶ Id. at 2.

⁶⁷ Id. at 223-226.

⁶⁸ Id. at 242-244.

⁶⁹ Id. at 242.

no amount of rationalization can offset it,⁷⁰ especially so in this case where respondents failed to present even one piece of evidence in their defense.⁷¹

Hence, the courts *a quo* erred in ruling that Stier's American citizenship was not established in this case, effectively rendering the sale of the subject property as to him void *ab initio*, in light of the clear proscription under Section 7, Article XII of the Constitution against foreigners acquiring real property in the Philippines, to wit:

Section 7. Save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain.

Thus, lands of the public domain, which include private lands, may be transferred or conveyed only to individuals or entities qualified to acquire or hold private lands or lands of the public domain. Aliens, whether individuals or corporations, have been disqualified from acquiring lands of the public domain as well as private lands.⁷²

In light of the foregoing, even if petitioners failed to prove that Donton's signature on the Deed of Absolute Sale was a forgery, the sale of the subject property to Stier is in violation of the Constitution; hence, null and void *ab initio*. A contract that violates the Constitution and the law is null and void and vests no rights and creates no obligations. It produces no legal effect at all.⁷³ Furthermore, Stier is barred from recovering any amount that he paid for the subject property, the action being proscribed by the Constitution.⁷⁴

Nevertheless, considering that petitioners failed to prove their allegation that Maggay, the other vendee, had no capacity to purchase the subject property, the sale to her remains valid but only up to the extent of her undivided one-half share therein.⁷⁵ Meanwhile, the other undivided one-half share, which pertained to Stier, shall revert to Donton, the original owner, for being the subject of a transaction void *ab initio*. Consequently, the Deed of Absolute Sale, together with TCT No. N-225996 issued in respondents' favor, must be annulled only *insofar as Stier is concerned, without prejudice, however, to the rights of any subsequent purchasers for value of the subject property.*

⁷⁰ *Stanley Fine Furniture v. Gallano*, 748 Phil. 624, 631-632 (2014).

⁷¹ See Order dated February 5, 2009; records, Vol. II, p. 416.

⁷² *Frenzel v. Catito*, 453 Phil. 885, 904 (2003), citing *Po v. CA*, 239 SCRA 341, 346 (1994).


⁷³ See *Krivenko v. Register of Deeds of Manila*, 79 Phil. 461, 492-493 (1947); *Rellosa v. Hun*, 93 Phil. 827, 835 (1953); *Caoile v. Peng*, 93 Phil. 861 (1953); *Po v. CA*, supra note 72; *Chavez v. Presidential Commission on Good Government*, 366 Phil. 863, 869 (1999).

⁷⁴ See *Fullido v. Grilli*, 785 SCRA 278, 301; *Frenzel v. Catito*, supra note 72 at 908.


⁷⁵ See *Rural Bank of Cabadbaran, Inc. v. Melecio-Yap*, 740 Phil. 35, 51 (2014).

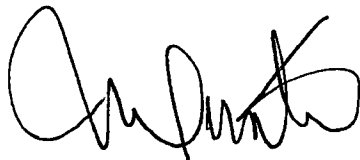
WHEREFORE, the petition is **PARTLY GRANTED**. The Decision dated June 13, 2014 and the Resolution dated January 21, 2015 of the Court of Appeals in CA-G.R. CV No. 97138, which affirmed the dismissal of the complaint filed by petitioners on the ground of insufficiency of evidence, are hereby **REVERSED** and **SET ASIDE**, and a **NEW ONE** is entered: (1) annulling the Deed of Absolute Sale dated July 16, 2001 insofar as respondent Duane Stier is concerned; (2) annulling Transfer Certificate of Title No. N-225996 insofar as respondent Duane Stier is concerned; and (3) directing the Registry of Deeds of Quezon City to issue a new title in the name of Peter Donton and Emily Maggay, all without prejudice to the rights of any subsequent purchasers for value of the subject property.

SO ORDERED.


ESTELA M. BERLAS-BERNABE
 Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
 Acting Chief Justice
 Chairperson



DIOSDADO M. PERALTA
 Associate Justice

On Leave
ALFREDO BENJAMIN S. CAGUIOA
 Associate Justice


ANDRES B. REYES, JR.
 Associate Justice

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.


ANTONIO T. CARPIO
 Acting Chief Justice
 Chairperson