



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

**GRAND PLANTERS
INTERNATIONAL, INC.**
Petitioner,

G.R. No. 256633

Members:

-versus-

LEONEN, *SAJ.*, Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J., and
KHO, JR., *JJ.*

**MAINE CITY PROPERTY
HOLDINGS CORP., and JOEL
G. YAP,**
Respondents.

Promulgated:

AUG 22 2022

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DECISION

LAZARO-JAVIER, J.:

The Case

This Petition for Review on Certiorari seeks to reverse the following dispositions of the Court of Appeals in CA-G.R. CV No. 112409:

- 1) Decision¹ dated September 25, 2020 which affirmed the summary judgment of the Regional Trial Court (RTC)-Branch 94, Mariveles, Bataan in Civil Case No. 1141-ML in favor of respondents; and
- 2) Resolution² dated May 28, 2021 which denied petitioner's motion for reconsideration.

Antecedents

In Civil Case No. 1141-ML, respondents Maine City Property Holding Corp. (MCPHC) and its President and Chief Executive Officer Joel G. Yap (Yap) filed before the RTC-Branch 94, Mariveles, Bataan a complaint against petitioner Grand Planters International, Inc. (GPII), Arlene Bernardo (Bernardo), Heirs of Leonardo Serios (Heirs of Leonardo), and Register of Deeds of Bataan, for nullification of the 2014 Extrajudicial Settlement of Estate with Sale and the 2015 Deed of Sale; affirmation of the 2006 Deed of Sale; cancellation of GPII's Transfer Certificate of Title (TCT) No. 038-2016000719 and Bernardo's TCT No. 038-2015000040; reinstatement of Original Certificate of Title No. 16 (OCT No. 16); and attorney's fees.³

MCPHC and Yap alleged that the disputed property is a 369,463-square meter parcel of land situated in Limay, Bataan, known as Lot No. 638. It was originally registered in the name of Leonardo Serios (Leonardo) under OCT No. 16. Following Leonardo's death, his surviving heirs, namely, his wife Leonarda, and children, Solita, Rosemarie, Maximo, Luzviminda, Danilo, and Herlina sold the property to MCPHC for ₱35,000,000.00. Consequently, the owner's duplicate copy of OCT No. 16 was turned over to Yap after the contract-signing.⁴

Thereafter, they (respondents) learned that the Heirs of Leonardo executed an Affidavit of Loss, declaring that the owner's copy of OCT No. 16 was missing. The heirs did so, albeit they knew full well that the owner's copy was actually in their (respondents') possession.⁵

They also discovered that the Heirs of Leonardo executed an Extrajudicial Settlement of Estate with Sale dated July 29, 2014 in favor of Bernardo for ₱5,000,000.00. Consequently, TCT No. 038-2015000040 was issued in her name, in lieu of OCT No. 16 which got cancelled. Bernardo then sold the property to GPII for ₱110,982,900.00 under a Deed of Absolute Sale

¹ Penned by Associate Justice Pedro B. Corales and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Alfredo D. Ampuan; *rollo*, pp. 78-95.

² *Rollo*, pp. 96-97.

³ *Id.* at 234.

⁴ *Id.* at 80.

⁵ *Id.* at 237.

dated September 24, 2015. As a result, Bernardo's title was cancelled, and TCT No. 038-2016000719, was issued in the name of GPII.⁶

Since the owner's copy of OCT No. 16 was not actually lost, the same should be reinstated, and the 2006 Deed of Sale in their favor, affirmed. Too, the 2014 Extrajudicial Settlement of Estate with Sale and the 2015 Deed of Sale should be nullified. Further, Bernardo's TCT No. 038-2015000040 and GPII's TCT No. 038-2016000719 should also be cancelled since both were not purchasers in good faith.⁷

The case was raffled to RTC-Branch 94, Mariveles, Bataan.⁸

In their answer, the Heirs of Leonardo riposted that their real transaction with respondents was a contract to sell, not a contract of sale. They received the initial payment of ₱2,000,000.00 in the office of Yap, for which, they were made to sign blank documents. A week later, they returned to Yap's office and, this time, they were paid ₱3,000,000.00. They were also instructed to surrender their owner's duplicate copy of OCT No. 16 and sign a deed of absolute sale on Yap's representation that the same would facilitate respondents' intended sale of the property to the Philippine National Oil Company (PNOC). Hence, the Deed of Absolute Sale dated February 16, 2006 came into being.⁹

Unfortunately, Yap had since never made any further payment despite their repeated demands. In 2012 or six (6) years later, their lawyer informed them that both Yap and the title of the property could no longer be found.¹⁰ They did not defraud MCPHC; it was Yap who defrauded them. Since MCPHC and Yap failed to pay the purchase price, they (Heirs of Leonardo) were constrained to rescind the contract and look for a prospective buyer.¹¹

On July 28, 2014, they executed an Extrajudicial Settlement of Estate with Sale, adjudicating upon themselves the property and selling the same to Bernardo for ₱5,000,000.00.¹²

On November 4, 2014, Leonarda, Leonardo's surviving spouse, executed an Affidavit of Loss of the Owner's Copy of OCT No. 16 which was lost "beyond recovery."¹³ Thereafter, Leonarda filed a petition for issuance of

⁶ Id.

⁷ Id. at 237.

⁸ Id. at 233.

⁹ Id. at 238-239.

¹⁰ Id. at 239.

¹¹ Id.

¹² Id. at 163.

¹³ Id. at 45.

a second owner's copy of OCT No. 16 under CAD Case No. 1-2545-14. It was raffled to RTC-Branch 1, Balanga City, Bataan.¹⁴

After due proceedings, Branch 1 granted the petition per Decision dated December 16, 2014. It directed the issuance of a second owner's copy of OCT No. 16.¹⁵

By virtue of the Extrajudicial Settlement of Estate with Sale dated July 28, 2014 in favor of Bernardo, OCT No. 16 got cancelled, and TCT No. 038-2015000040 was issued in the name of Bernardo.¹⁶

On September 24, 2015, Bernardo sold the property to petitioner GPII for ₱110,982,900.00. As a result, Bernardo's TCT No. 038-2015000040 got cancelled, and TCT No. 038-2016000719 was issued in the name of GPII.¹⁷

In her answer, Bernardo asserted that she was a buyer in good faith. She verified the status of this property with the Bureau of Internal Revenue (BIR), the Register of Deeds, and the Office of the Provincial and Municipal Assessor of Bataan. The records in these offices did not bear any notice pertaining to the existence of the alleged 2006 Deed of Sale. In any case, Yap lacked the authority to represent MCPHC and the latter was guilty of *laches* and gross negligence for failing to effect the registration of the alleged 2006 Deed of Sale.¹⁸

As for GPII, it claimed to be an innocent purchaser in good faith and for value. It asserted that Bernardo's TCT No. 038-2015000040 was clean and did not bear any encumbrance, not even the alleged 2006 Deed of Sale in favor of MCPHC nor the 2014 Extrajudicial Settlement of Estate with Sale.¹⁹ In its answer, it interposed the following defenses, *viz*:

- a. Good faith being presumed and there being no evidence that GPII bought the Subject Property from Bernardo in bad faith, GPII is a buyer in good faith;
- b. The alleged sale between the Heirs of [Leonardo] and Maine City was never annotated on OCT No. 16 and TCT No. 038-2015000040, the certificate of title issued to Bernardo;
- c. All the entries in the Memorandum of Encumbrances in OCT No. 16 were never carried over to TCT No. 038-2015000040, the certificate of title issued to Bernardo; and

¹⁴ Id. at 237.

¹⁵ Id.

¹⁶ Id.

¹⁷ Id.

¹⁸ Id. at 222–223.

¹⁹ Id. at 240.


- d. The sale between [Bernardo] and GPII was legitimate and above board even if the purchase price was more than ₱110,000,000.00 as all the requisites of a valid contract were present.²⁰

Too, it specifically denied any knowledge or information about the existence of -

- a. The alleged sale of a parcel of land covered by OCT No. 16 or the subject property from the Heirs of [Leonardo] to [MCPHC];
- b. The undertaking of [MCPHC] to continue litigating the case involving the subject property;
- c. That [MCPHC] won the said case;
- d. [MCPHC's] discovery of the sale of the subject property from the Heirs of [Leonardo] to Bernardo;
- e. The action taken by [Leonarda] to Bernardo;
- f. The proceedings before RTC(-)Balanga regarding the issuance of a new owner's duplicate of OCT No. 16;
- g. Respondents' opinion and impression of the proceedings in CAD Case No. 1-2545-14 before RTC(-)Bataan(,) Branch 1 regarding the issuance of a new owner's duplicate of OCT No. 16;
- h. That [MCPHC] is still in possession of the original owner's duplicate copy of OCT No. 16;
- i. Respondents' speculation and conjectures of irregularities purportedly attendant to the "alleged double sale" of the subject property, the declaration of loss of OCT No. 16, the relative dispatch by which the RTC(-)Balanga ordered the issuance of the owner's duplicate copy of OCT No. 16 and its actual issuance by the "Register of Deeds of Bataan", the difficulty of an old woman to conceive and comprehend the processes, the suspicious nature by which the subject property was sold to [Bernardo], the relatively high price that the subject property was sold to [GPII], and the alleged conspiracy among the defendants in the Complaint; and
- j. [GPII] committed deceitful conduct.²¹

²⁰ Id. at 209-212.

²¹ Id. at 53-54.



During the pre-trial, the parties stipulated:

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STIPULATIONS

1. The existence of the alleged Deed of Sale executed between plaintiff [MCPHC] and [defendant-Heirs of Leonardo];
2. The authenticity of the signatures in the above-stated Deed of Sale, with the qualification that these were signed in blank;
3. The due execution and authenticity of the [OCT No. 16], and the transfer of such title;
4. That [defendant-Heirs of Leonardo] turned over or delivered the original copy of the Title to [plaintiff Yap];
5. That the subject property was originally covered by OCT No. 16 with respect to [defendant-Heirs of Leonardo].²²

These stipulations were borne in the Pre-Trial Order²³ dated October 26, 2017. Too, the trial court drew up the following -

ISSUES

Whether or not there is a valid basis for the cancellation of the following documents: (a) TCT No. 038-2016000719, (b) the Deed of Absolute Sale dated 24 September 2015, (c) TCT No. 038-2015000040, and (d) the Extra-Judicial Settlement of Estate dated 28 July 2014.

Whether or not plaintiffs [MCPHC and Yap] are entitled to damages and attorney's fees.

Whether or not defendant Arlene Bernardo is a buyer in good faith from [defendant-Heirs of Leonardo].²⁴

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The parties also submitted the following documents/exhibits:²⁵

1. OCT No. 16;
2. Deed of Absolute Sale dated February 16, 2006 between Heirs of Leonardo and MCPHC;

²² Id. at 268-269.

²³ Id.

²⁴ Id. at 269.

²⁵ Id.

3. Certification issued by the Office of the Clerk of Court, Manila, Notarial Section, as to the Registration of the document, Deed of Sale between Leonardo (Serios) in favor of MCPHC;
4. Affidavit of Loss attached to SCA Case No. 1-2545-14 the petition for the issuance of the lost duplicate copy filed by [Leonarda];
5. Extrajudicial Settlement of Estate with Sale dated 28 July 2014;
6. [TCT No. 038-2015000040] issued to Bernardo;
7. Deed of Absolute Sale dated September 24, 2015 between Bernardo and GPII;
8. [TCT No. 038-2016000719] issued to GPII.

On February 21, 2018, MCPHC and Yap filed an Omnibus Motion to Render Judgment on the Pleadings and/or to Render Summary Judgment (Omnibus Motion). They argued that based on the stipulations, there was no more genuine issue left to be resolved, hence, they were already entitled to a favorable judgment,²⁶ thus:

Prescinding from the pre-trial conference proceedings, the following are established:

- 1) Existence of the Deed of Sale between the Plaintiff's [MCPHC and Yap] and Defendants [Heirs of Leonardo];
- 2) Existence of OCT No. 16; and
- 3) The Title (OCT No. 16) was turned over to the Plaintiff [Yap] by the Defendant [Leonarda].

Accordingly, it is respectfully submitted that there is no genuine issue inasmuch as Defendants [Heirs of Leonardo] admitted that they turned over the title (OCT No. 16) to Plaintiff [Yap] in their Answer and confirmed during the pre-trial conference.

xxxFurther, all of the Defendants admitted the existence of OCT No. 16 and that the same was reconstituted. In fact the alleged affidavit of loss was annotated on OCT No. 16. This annotation should have put the Defendants on guard as such, they cannot be considered innocent purchaser in good faith.

²⁶ Id. at 338-340.

At any rate, since the reconstituted title is void, respectfully, it is IRRELEVANT whether Defendants Bernardo and [GPII] are innocent purchasers in good faith since there can be no rights that could emanate from a VOID title.

In response, Bernardo formally manifested she was not opposing the omnibus motion. She never conspired with the Heirs of Leonardo nor acted as their dummy in all the transactions she entered into with them and GPII.²⁷

On the other hand, GPII opposed the omnibus motion. It argued, among others that despite the stipulations, the issue of whether it was an innocent buyer for value subsisted and the parties ought to still present their respective evidence thereon, *viz*:

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First, there was never an admission by the defendants [Heirs of Leonardo] of any fraudulent reconstitution of OCT No. 16. While they may have admitted that they turned over OCT No. 16 to plaintiff [Yap], still: (a) defendants [Heirs of Leonardo] assert that there was no valid sale between them and [Yap] as they deny the due execution of the pertinent deed of sale; (b) it is uncertain when and under what circumstance they turned over OCT No. 16 to plaintiff [Yap], and (c) the connecting link, materiality and relevancy of the turn-over of OCT No. 16 to plaintiff [Yap] and the reconstitution of OCT No. 16 have not been clearly established.

Second, assuming but without admitting that OCT No. 16 was fraudulently reconstituted, still, jurisprudence teaches us that just because a reconstituted title is void, it does not necessarily mean that its subsequent transfers to innocent purchasers for value and in good faith are likewise automatically void.

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To conclude, the condition and requisites to apply Rule 34, Section 1 (Judgment on the pleadings) and Rule 35, Section 1 (Summary judgment for claimant) as plaintiffs [MCPHC and Yap] would want this Honorable Court to apply are absolutely wanting or absent. Note that per Answer and all subsequent adversarial pleadings of at least defendant [GPII], the valid and substantiated defenses of being a buyer or transferee of real property in utmost good faith and for good value have been duly raised. Thus, considering too the jurisprudence cited above, Rules 34 and 35 become definitely inapplicable.²⁸

²⁷ Id. at 235.

²⁸ Id. at 29.

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Under Order dated May 31, 2018, the trial court granted the omnibus motion as it sustained respondents' argument that in view of the factual stipulations of the parties, there was no more genuine issue left to be resolved hence, it could already render a summary judgment, sans any need for presentation of evidence.²⁹ GPII's motion for reconsideration was subsequently denied per Order dated August 30, 2018.³⁰

The trial court, thereafter, rendered its summary judgment per its Decision³¹ dated November 23, 2018, viz.:

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As enumerated in the Pre-trial Order dated 26 October 2017 which the parties neither impugned nor disowned, making the recitals thereon binding upon them, the following stipulations were made:

1. The **existence** of the alleged **Deed of Sale** executed between plaintiff [MCPHC] and defendant-[Heirs of Leonardo];
2. The **authenticity** of the signatures in the above-stated Deed of Sale xxx;
3. The **due execution and authenticity of [OCT] No. 16**, and the transfer of such title;
4. That defendant-[Heirs of Leonardo] **turned over or delivered the original copy of the Title to plaintiff [Yap]**; and
5. That the subject property was originally covered by OCT No. 16 with respect to defendant-[Heirs of Leonardo]. (Emphasis supplied).³²

Apart from the foregoing stipulations, other controvertible facts can be derived or inferred from the parties' pleadings and exhibits.

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WHEREFORE, this Court hereby renders a Summary Judgment in the instant case as follows:

1. The Sale dated 28 July 2014 executed by and between defendant-[Heirs of Leonardo] and defendant [Bernardo] and the Sale executed by and between defendant

²⁹ Id. at 365.

³⁰ Id. at 33.

³¹ Id. at 233–258.

³² Id. at 241–242.

[Bernardo] and defendant [GPII] Planters dated 24 September 2015 are hereby declared **NULL** and **VOID**;

2. The Deed of Absolute Sale dated 16 February 2006 executed by and between plaintiff [MCPHC] and defendant-[Heirs of Leonardo] is declared **VALID** for all legal intents and purposes;
3. The Register of Deeds of the Province of Bataan is hereby **DIRECTED** to **CANCEL** [TCT] No. 038-2015000040 registered in the name of defendant [Bernardo] and [TCT] No. 038-2016000719 registered in the name of defendant [GPII], which are hereby **DECLARED INEFFECTUAL**;
4. [OCT] No. 16 registered in the name of Leonardo (Serios) is hereby **REINSTATED** and/or **DECLARED VALID** and **EFFECTIVE**;
5. The prayer for an award of damages in favor of plaintiffs is hereby **DENIED** for lack of evidence.

SO ORDERED.

On GPII's appeal, the Court of Appeals affirmed under Decision³³ dated September 25, 2020.³⁴ GPII's subsequent motion for reconsideration was denied under Resolution dated May 28, 2021.³⁵

The Present Petition

GPII now seeks affirmative relief *via* Rule 45 of the Rules of Court. It raises the core issue of whether indeed based on the factual stipulations of the parties, there is no longer any genuine issue left on which the parties ought to still present their respective evidence. It asserts that having raised as an affirmative defense its status as an innocent purchaser for value against respondents' action for cancellation of its TCT No. 038-2016000719, it thereby engendered a genuine issue relating to a material fact that required presentation of evidence, hence, the case was not ripe for summary judgment. Clearly, the stipulations did not at all obliterate the aforesaid issue, nor should be deemed sufficient to resolve it.³⁶

In their Comment, respondents reiterate that based on the stipulations *vis-à-vis* the documentary evidence on record, GPII's defense of being an innocent purchaser for value was already deemed obliterated as the same may

³³ Id. at 78-95.

³⁴ Id. at 94.

³⁵ Id. at 13.

³⁶ Id. at 52.

already be resolved based on the stipulations and the documentary evidence thus far submitted, hence a summary judgment was in order. In support thereof, they underscore these undisputed facts:³⁷

1. As early as November 2014, Bernardo has already offered to sell the subject property to GPII at a price of P1,000.00 per square meter. At that time, the subject property was still registered in the name of Leonardo Serios;³⁸
2. Bernardo submitted several documents to GPII, which included the Extrajudicial Settlement of Estate with Sale dated July 28, 2014 and the Certificate Authorizing Registration No. 2014-000358997 dated August 7, 2014 which indicated the transfer of the subject property from Heirs of Leonardo to Bernardo;³⁹ and
3. The certified true copy of OCT No. 16 presented to GPII had liens and encumbrances which included the Affidavit of Loss dated November 4, 2014 executed solely by [Leonarda].

Our Ruling

We reverse.

***When summary
judgment is
proper***

Rule 35 of the Rules of Court ordains:

SECTION 1. Summary judgment for claimant. - A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory relief may, at any time after the pleading in answer thereto has been served, move with supporting affidavits, depositions or admissions for a summary judgment in his favor upon all or any part thereof.

SEC. 2. Summary judgment for defending party. - A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory relief is sought may, at any time, move with supporting affidavits, depositions or admissions for a summary judgment in his favor as to all or any part thereof.

SEC. 3. Motion and proceedings thereon. — The motion shall be served at least ten (10) days before the time specified for the hearing. The adverse party may serve opposing affidavits,

³⁷ Id. at 474.

³⁸ Id.

³⁹ Id. at 475.

depositions, or admissions at least three (3) days before the hearing. After the hearing, the judgment sought shall be rendered forthwith if the pleadings, supporting affidavits, depositions, and admissions on file, show that, except as to the amount of damages, there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

As aptly pronounced in *YKR Corporation, et al. v. Yulo, et al.*,⁴⁰ citing *Viajar v. Judge Estenzo*, “[t]he disposition of a civil action summary judgment is a method sanctioned under the Rules where there exists no question or controversy as to the material facts. Thus, when a party moves for summary judgment, this is premised on the assumption that a scrutiny of the facts will disclose that the issues presented need not be tried either because these are patently devoid of substance or that there is no genuine issue as to any pertinent fact. A judgment on the motion must be “rendered forthwith if the pleadings, supporting affidavits, depositions, and admissions on file show that, except as to the amount of damages, there is no genuine issue and that the moving party is entitled to a judgment as a matter of law.”

In *Pepsi-Cola Products Philippines, Inc. v. Isabelita Leaf Tobacco Co., Inc.*,⁴¹ the Court laid down the twin requisites for summary judgment for the claimant, *viz.*: (1) there must be **no genuine issue** as to any material fact, except for the amount of damages; and (2) the party presenting the motion for summary judgment must be entitled to a judgment as a matter of law.

The test is the existence of a genuine issue of fact, as distinguished from a sham, fictitious, contrived, or false claim.⁴² A “genuine issue” is an issue of fact which requires the presentation of evidence. When the facts as pleaded appear uncontested or undisputed, then there is no real or genuine issue or question as to the facts, and summary judgment is called for. Conversely, when the facts, as pleaded by the parties, are disputed or contested, proceedings for summary judgment cannot take the place of trial.⁴³

On this score, even though the pleadings on their face appear to raise issues, summary judgment may still be sought where the moving party presents affidavits, depositions, or admissions showing that such issues are in fact not genuine.⁴⁴ Suffice it to state that the party who moves for summary judgment has the burden of clearly demonstrating the absence of any genuine issue of fact, or that the issue posed in the complaint is patently unsubstantial so as not to constitute a genuine issue for trial. Notably, trial courts have

⁴⁰ 745 Phil. 666, 684 (2014).

⁴¹ G.R. No. 237840 (Notice), June 10, 2019.

⁴² *Aljem's Credit Investors Corporation v. Spouses Bautista*, G.R. No. 215175, April 25, 2022.

⁴³ *Yap, Sr. v. Siao*, 786 Phil. 257, 273 (2016).

⁴⁴ *Id.*

limited authority to render summary judgments and may do so only when there is clearly no genuine issue as to any material fact.

***Factual allegations
in the Complaint***

The Complaint bore the following allegations in support of respondents' cause of action for annulment and cancellation of the 2014 Extrajudicial Settlement with Sale, Bernardo's TCT No. 038-2015000040, 2015 Deed of Sale, and GPII's TCT No. 038-2016000719.

First. The owner's copy of OCT No. 16 was never lost and is actually in the possession of Yap;⁴⁵

Second. Although Leonarda, Leonardo's surviving spouse knew of this circumstance, she still sought the judicial issuance of a second owner's copy of OCT No. 16, falsely claiming that the original owner's copy got irretrievably lost, hence, beyond recovery. The petition was eventually granted and a second owner's copy of title was issued.⁴⁶

Third. The Heirs of Leonardo executed the 2014 Extrajudicial Settlement of Estate with Sale. They sold the land to Bernardo for ₱5,000,000.00, and thereafter, caused the issuance of the new title (TCT No. 038-2015000040) under her name;⁴⁷

Fourth. Bernardo later on sold the land to GPII for ₱110,982,900.00. As a result, TCT No. 038-2016000719 was issued in the name of GPII;⁴⁸

Fifth. These events proved that the Heirs of Leonardo, Bernardo, and GPII conspired together in order to deprive respondents of their ownership of the property.⁴⁹

***Affirmative Defenses
of the Heirs of
Leonardo, Bernardo,
and GPII***

⁴⁵ *Rollo*, p. 81.

⁴⁶ *Id.* at 237.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

In refutation, the Heirs of Leonardo claimed that their agreement with respondents was in reality a contract to sell rather than a contract of sale. They agreed to sell the property to respondents for ₱35,000,000.00 and thereafter, signed a deed of absolute sale and turned over the owner's copy of OCT No. 16 only because respondents made them believe that it was intended to expedite respondents' sale of the property to PNOC. Also, respondents only paid them ₱5,000,000.00 but, thereafter, refused to pay the balance despite repeated demands from them. Six years later, they were informed by their lawyer that Yap and the title of the property could no longer be found. Hence, they were constrained to rescind their contract with respondents, entertain other prospective buyers, execute an affidavit of loss of the owner's copy of OCT No. 16, and file a petition for issuance of a second owner's copy of OCT No. 16.⁵⁰

On the part of Bernardo, she maintained that she was a purchaser in good faith for value.⁵¹ She had no knowledge of the supposed 2006 Deed of Sale between the Heirs of Leonardo and respondents. In fact, she exercised due diligence by verifying the status of the property with the BIR, the Register of Deeds, and the Office of the Provincial and Municipal Assessor of Bataan.⁵² In all these offices, there was no recording or registration pertaining to the existence of the supposed 2006 Deed of Sale.

As for GPII, it likewise asserted being an innocent buyer for value. The alleged sale between the Heirs of Leonardo and respondents was not annotated on the cancelled OCT No. 16, thus, no notice was given to the public, including GPII about its existence.⁵³

Indeed, there is no dispute that insofar as the foregoing answers are concerned, the same did tender the following factual issues material to the resolution of the case, *viz.*:

First. At the time Bernardo purchased the property, did she know of the prior 2006 Deed of Sale between the Heirs of Leonardo and respondents, the delivery of the original owner's copy of OCT No. 16 to respondents, and the purported irregularity attendant to the petition for issuance of the second owner's copy thereof?

Second. Was the 2006 Deed of Sale between the Heirs of Leonardo and respondents a real contract of sale or a mere contract to sell?

Third. Did respondents pay the Heirs of Leonardo the full purchase price of the property as reflected in the aforesaid 2006 Deed of Sale?

⁵⁰ Id. at 216–217.

⁵¹ Id. at 221.

⁵² Id. at 222.

⁵³ Id. at 208.

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Assuming it was not fully paid, what was the legal effect thereof on the transaction?

Fourth. Did the Heirs of Leonardo anchor their petition for issuance of a second owner's copy of OCT No. 16 on their alleged false claim that the first owner's copy got irretrievably lost, hence, beyond recovery?

Fifth. Assuming the Heirs of Leonardo made such false claim in their petition, what is the legal effect thereof on the rights of Bernardo and GPII as subsequent purchasers of the property, both claiming to be innocent purchasers for value?

Sixth. Did the unregistered 2006 Deed of Sale become a binding instrument against third persons simply because it is a notarized document?

Seventh. At the time GPII purchased the property, was it aware of the circumstances surrounding the issuance of the second owner's copy of OCT No. 16 and the existence of the 2006 Deed of Sale?

Eighth. Was GPII an innocent purchaser for value?

Now the pivotal question - were these issues deemed obliterated on the basis of the stipulations and documentary evidence thus far submitted which allegedly are already sufficient to render a judgment favorable to respondents?

Specifically, these stipulations are:

- 1) The existence of the alleged Deed of Sale executed between plaintiff [MCPHC] and defendant-[Heirs of Leonardo];
- 2) The authenticity of the signatures in the above-stated Deed of Sale, with the qualification that these were signed in blank;
- 3) The due execution and authenticity of [OCT] No. 16, and the transfer of such title;
- 4) That defendant-[Heirs of Leonardo] turned over or delivered the original copy of the Title to plaintiff [Yap];
- 5) That the subject property was originally covered by OCT No. 16 with respect to defendant-[Heirs of Leonardo].⁵⁴

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The documents, on the other hand, are as follows:⁵⁵

1. OCT No. 16;
2. Deed of Absolute Sale dated February 16, 2006 between Heirs of Leonardo and MCPHC;

⁵⁴ Id. at 28.

⁵⁵ Id. at 269.

3. Certification issued by the Office of the Clerk of Court, Manila, Notarial Section, as to the Registration of the document, Deed of Sale between Leonardo Serios in favor of MCPHC;
4. Affidavit of Loss attached to SCA Case No. 1-2545-14 the petition for the issuance of the lost duplicate copy filed by [Leonarda];
5. Extrajudicial Settlement of Estate with Sale dated 28 July 2014;
6. Transfer Certificate of Title No. 038-2015000040 issued to Bernardo;
7. Deed of Absolute Sale dated September 24, 2015 between Bernardo and GPII;
8. [TCT] No. 038-2016000719 issued to GPII.

In their Omnibus Motion⁵⁶ dated February 19, 2018, respondents moved for a summary judgment based on the foregoing stipulations and the documentary evidence on record. They argued that: (1) these provide sufficient bases for the trial court to already pronounce that the issuance of the second owner's copy of the title was void since the original owner's copy is intact and never got lost in the possession of Yap; (2) the 2006 Deed of Sale was actually existing and duly executed, hence, was deemed a valid conveyance of the property; and (3) since the affidavit of loss was annotated at the back of OCT No. 16, both Bernardo and GPII cannot be deemed as innocent purchasers for value, thus:

Prescinding from the pre-trial conference proceedings, the following are established:

- 1) Existence of the Deed of Sale between the Plaintiffs [MCPHC and Yap] and Defendants [Heirs of Leonardo]; and
- 2) Existence of OCT No. 16;
- 3) The Title (OCT No. 16) was turned over to the Plaintiff [Yap] by the Defendant [Heirs of Leonardo].⁵⁷

Accordingly, it is respectfully submitted that there is no genuine issue inasmuch as Defendants [Heirs of Leonardo] admitted that they turned over the title (OCT No. 16) to Plaintiff [Yap] in their Answer and confirmed during the pre-trial conference.⁵⁸

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Further, all of the Defendants admitted the existence of OCT No. 16 and that the same was reconstituted. In fact the alleged affidavit of loss was annotated on OCT No. 16. This annotation should have put the Defendants on guard as such, they cannot be considered innocent purchaser in good faith.⁵⁹

⁵⁶ Id. at 333–344.

⁵⁷ Id at 338–339.

⁵⁸ Id. at 339.

⁵⁹ Id. at 340.

At any rate, since the reconstituted title is void, respectfully, it is IRRELEVANT whether Defendants Bernardo and Grand Planters are innocent purchasers in good faith since there can be no rights that could emanate from a VOID title.⁶⁰

The trial court granted the Omnibus Motion, ratiocinating:

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An examination of the above-quoted stipulations persuades this court that a summary judgment may be rendered by virtue of the foregoing stipulations, admissions, made in the pleadings of the parties and the documents attached to the pleadings.

The court is of the view that no genuine issue exists in this case. Albeit an issue appears proper for the court's resolution, the issue is merely ostensible or contrived.⁶¹

On GPII's appeal, the Court of Appeals affirmed, in this wise:

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A closer examination of the parties' submissions in their respective pleadings made it clear to Us that there was no genuine issue or question of fact that necessitates trial, as correctly held by the court *a quo*.

The Heirs of Leonardo admitted during pre-trial the existence of the 2006 deed of sale and the genuineness of their signatures therein, although they denied its due execution, claiming that they signed a blank document and after a week they were made to sign a deed of absolute sale. They further alleged that they turned over their original owner's duplicate copy of title to [Yap], who then refused to pay the full purchase price.

However, the 2006 Deed of Sale reflects in plain and unambiguous language the Heirs of Leonardo's receipt of the full purchase price for the absolute sale of the subject property in favor of [MCPHC] upon the execution of the said document. The Heirs of Leonardo's admitted delivery of the original owners duplicate copy of OCT No. 16 to [MCPHC] supports this literal reading of the 2006 Deed of Sale. Contracts being private laws of the contracting parties, these should be fulfilled according to the literal sense of their stipulations if their terms are clear and leave no room for doubt as to the intention of the contracting parties. Where the parties admitted the existence of the contract but raised the contention that they were misled as to its true import, then they could not be allowed to introduce evidence of conditions allegedly agreed upon other than those stipulated in the documents because when they reduced their agreement in writing, it is presumed that they made the writing the only repository and memorial of truth, and whatever is not found in

⁶⁰ Id.

⁶¹ Id. at 364.

the writing must be understood to have been waived and abandoned.⁶²

It need not also be overemphasized that the 2006 Deed of Sale was a notarized document. It is a rule in our jurisdiction that the act of notarization by a notary public converts a private document into a public document, making it admissible in evidence without further proof of its authenticity. By law, a notarial document is entitled to full faith and credit upon its face. It enjoys the presumption of regularity and is a prima facie evidence of the facts stated therein – which may only be overcome by evidence that is clear, convincing and more than merely preponderant. Here, the Heirs of Leonardo did not even allege any circumstance which could have raised doubt on the due execution of the 2006 Deed of Sale. To reiterate, they even admitted that one week after signing a blank document, they returned to [Yap's] office and signed a Deed of Absolute sale.⁶³

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The Court disagrees.

The stipulations on the existence of the 2006 Deed of Sale between the Plaintiffs [MCPHC and Yap] and Defendants [Heirs of Leonardo]; and the existence of the original owner's copy of OCT No. 16 and its turnover to Yap by the Heirs of Leonardo did not resolve or eliminate the genuine issues tendered by the Heirs of Leonardo, Bernardo, and GPII in their respective answers. Thus, in truth, even on the basis of the subject stipulations and the documentary evidence on record, these core issues still subsist: a) whether at the time Bernardo, and later, GPII purchased the property, each of them knew of the prior 2006 Deed of Sale between the Heirs of Leonardo and respondents and the delivery by the Heirs of Leonardo of the original owner's copy of OCT No. 16 to respondent, the alleged irregularities attendant to the petition for issuance of the second owner's copy thereof; b) the real nature of the transaction between the Heirs of Leonardo and respondents as a contract of sale or a mere contract to sell; c) the full or partial payment of the purchase price appearing in the 2006 Deed of Sale; and d) the effect of the unregistered, albeit notarized 2006 Deed of Sale on Bernardo and GPII who both denied any knowledge thereof when they transacted with the property. They are genuine issues which are incapable of being resolved by any or all of the three items stipulated by the parties and the documentary evidence thus far submitted. Surely these subsisting genuine issues can only be resolved after holding a full-dressed hearing during which the parties may present their respective evidence.

⁶² Id. at 87–88.

⁶³ Id at 88.

Notably, based alone on the stipulations and the documentary evidence thus far submitted, specifically the 2006 Deed of Sale, neither the trial court nor the appellate court can objectively and accurately pronounce that the Heirs of Leonardo received, and respondents paid, the full purchase price indicated in the 2006 Deed of Sale. More so, in light of the affirmative defenses of the Heirs of Leonardo that the 2006 Deed of Sale did not express the true intent and agreement of the parties; their real transaction was allegedly a contract to sell and not a contract of sale; and the delivery of the owner's copy of OCT No. 16 to Yap and the execution of the Deed of Sale was only for the supposed purpose of accommodating the request of Yap to facilitate his intended sale of the property to PNOC.

In the same vein, based alone on the notarized 2006 Deed of Sale *vis-à-vis* the presumption of regularity, truth, and authenticity thereof, both the trial court and the appellate court cannot rule with certainty and conclusiveness that the same is indeed a contract of sale and not a contract to sell, as vigorously asserted by the Heirs of Leonardo. Surely, such presumption of regularity is rebuttable. It affords the Heirs of Leonardo, Bernardo, and GPII the right to present countervailing evidence to overthrow the presumption. Verily, therefore, the case was not at all ripe for summary judgment and should have proceeded to a full-blown hearing for the presentation of evidence.

But this is not all. The most important genuine issue tendered by GPII and Bernardo hinges on their claims that each of them was an innocent purchaser for value. Verily, the presence or absence of good faith is a factual issue which requires evidence. It is a state of mind which cannot be objectively drawn from the cold case records alone, even though these records include stipulations or admissions or some documentary evidence. Unless the parties concerned stipulate or admit to their intentional and voluntary commission of wrongdoings material to the case, the issue of good faith or lack of it can only be resolved through a full-dressed hearing where, to repeat, the parties are afforded the opportunity to adduce their respective evidence.

In *Republic v. Sundiam*,⁶⁴ the Court ruled that the party who claims the status of an innocent purchaser for value has the burden of proving such assertion, and the invocation of the ordinary presumption of good faith, *i.e.*, that everyone is presumed to act in good faith, is not enough. As the instant proceedings stand, no evidence has been adduced by the parties on this factual issue because the Republic's complaint for reversion was dismissed without reception of evidence. Without evidence proving that respondents are indeed innocent purchasers for value, remand to the trial court for factual inquiry and reception of evidence is therefore in order.

⁶⁴ G.R. No. 236381, August 27, 2020.



Another. Even assuming that the transaction between the Heirs of Leonardo and Yap was truly a contract of sale and not just a contract to sell; the Heirs of Leonardo fraudulently secured the judicial issuance of a second owner's copy of OCT No. 16; OCT No. 16 bore an annotation of the affidavit of loss of Leonardo's widow Leonarda; Bernardo knew of this fraud and had notice of the affidavit of loss; Bernardo was not an innocent purchaser in good faith at the time she transacted with the Heirs of Leonardo... the same does not *ipso facto* negate GPII's affirmative defense that it was an innocent purchaser for value when it later on bought the property from Bernardo. The veracity of its affirmative defense will rise or fall depending on the evidence adduced by it or against it, independent of what may be or may have already been adduced, if at all, against the Heirs of Leonardo or Bernardo.

GPII's claim as an innocent purchaser for value, therefore, cannot be prejudiced by an act, declaration, or omission of another following the principle of *res inter alios acta alteri nocere non debet* expressed in Section 28, Rule 130 of the Rules of Court.⁶⁵

*Piccio v. HRET and Vergara*⁶⁶ explains that this legal maxim is based on the principles of good faith and mutual convenience — the individual acts of persons are only binding upon themselves and are evidence against them only. So are their conduct and declarations. Yet it would not only be rightly inconvenient, but also manifestly unjust, that these persons should be bound by the acts of mere unauthorized strangers. And if parties ought not to be bound by the acts of strangers, neither ought their acts or conduct be used as evidence against them.

In fine, GPII can interpose its status as an innocent purchaser for value independently of the supposed admissions of the Heirs of Leonardo and Bernardo. But as discussed in *Republic*,⁶⁷ this defense of good faith can only be appropriately resolved in a full-blown proceeding before the trial court. For it is a factual issue that necessitates presentation of evidence.

As stated, relief by summary judgment is intended to expedite or promptly dispose of cases where the facts appear undisputed and certain from the pleadings, depositions, admissions and affidavits. But if, as in this case, there is doubt on the facts and there are subsisting genuine issues, a summary judgment is not proper. Thus, where the facts pleaded by the parties are disputed, a summary judgment cannot take the place of a trial.

⁶⁵ *People v. Batulan, et al.*, G.R. No. 216936, July 29, 2019.

⁶⁶ G.R. No. 248985, October 5, 2021.

⁶⁷ *Supra* note 62.

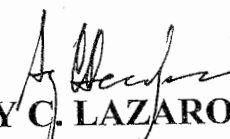
Utmost caution should be exercised when courts dispose of a civil case through a summary judgment because this procedural device does away with trial and deprives parties the opportunity to present their evidence in court. After all, a summary judgment is by no means a hasty one. Facts ought to be strictly examined in a summary hearing after the filing of a motion for summary judgment by one party supported by affidavits, depositions, admissions, or other documents, with notice upon the adverse party who may file an opposition to the motion supported also by affidavits, depositions, or other documents.⁶⁸ “In spite of its expediting character, relief by summary judgment can only be allowed after compliance with the minimum requirement of vigilance by the court in a summary hearing considering that this remedy is in derogation of a party’s right to a plenary trial of his case. At any rate, a party who moves for summary judgment has the burden of demonstrating clearly the absence of any genuine issue of fact, or that the issue posed in the complaint is so patently unsubstantial as not to constitute a genuine issue for trial, and any doubt as to the existence of such an issue is resolved against the movant.”⁶⁹

So must it be.

All told, the Court of Appeals committed reversible error when it affirmed the summary judgment rendered by the trial court.

ACCORDINGLY, the petition is **GRANTED**. The Decision dated September 25, 2020 and Resolution dated May 28, 2021 of the Court of Appeals in CA-G.R. CV No. 112409 are **REVERSED**. Civil Case No. 1141-ML is **REMANDED** to the Regional Trial Court-Branch 94, Mariveles, Bataan for the resumption of proceedings. The trial court is directed to promptly set the case for a full-blown hearing for the presentation of evidence, and thereafter, render a new judgment.


SO ORDERED.


AMY C. LAZARO-JAVIER
Associate Justice

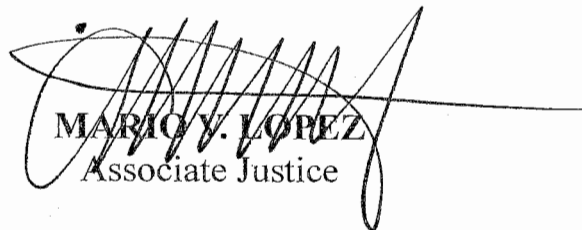
⁶⁸ Section 3, Rule 35 of the Rules of Court.

⁶⁹ Supra note 39.

WE CONCUR:




MARVIC M.V. F. LEONEN
Senior Associate Justice
Chairperson



MARIO Y. LOPEZ
Associate Justice



JHOSEP Y. LOPEZ
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

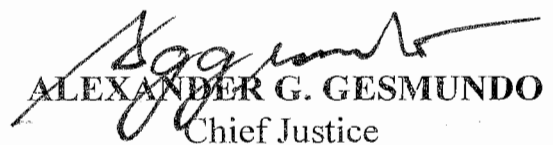
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the above 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.



ALEXANDER G. GESMUNDO
Chief Justice

4