



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

HEIRS OF THE LATE FELIX M. BUCTON, namely: NICANORA G. BUCTON, ERLINDA BUCTON-EBLAMO, AGNES BUCTON-LUGOD, WILMA BUCTON-YRAY and DON G. BUCTON,

Petitioners,

G.R. No. 188395

Present:

CARPIO, J.,  
Chairperson,  
BRION,  
DEL CASTILLO,  
PEREZ, and  
PERLAS-BERNABE, JJ.

- versus -

SPOUSES GONZALO and TRINIDAD GO,

Respondents.

Promulgated:

NOV 20 2013

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DECISION

PEREZ, J.:

This is a Petition for Review on *Certiorari*<sup>1</sup> filed under Rule 45 of the Revised Rules of Court, assailing the 27 May 2009 Decision<sup>2</sup> rendered by the Special Twenty-First (21<sup>st</sup>) Division of the Court of Appeals in CA-G.R. CV No. 00888-MIN. In its assailed decision, the appellate court affirmed the Judgment<sup>3</sup> of the Regional Trial Court (RTC) of Misamis Oriental, Branch 17, which upheld the title of the respondents Spouses Gonzalo and Trinidad Go (Spouses Go) over the subject property.

<sup>1</sup> Rollo, pp. 10-41.  
<sup>2</sup> Penned by Associate Justice Jane Aurora C. Lantion with Associate Justices Edgardo A. Camello and Michael P. Elbinias, concurring. Id. at 43-70.  
<sup>3</sup> Presided by Presiding Judge Florencia D. Sealana-Abbu. Records, pp. 578-586.

### *The Facts*

The suit concerns a parcel of land with an area of 6,407 square meters situated in Lapasan, Cagayan de Oro City and presently registered under Transfer Certificate of Title (TCT) No. T-34210<sup>4</sup> by the Registry of Deeds of Cagayan de Oro City in the names of the Spouses Go. The said property was originally registered in the name of Felix M. Bucton (Felix), married to Nicanora Gabar (Nicanora) and covered by TCT No. T-9830.<sup>5</sup>

Sometime in March 1981, Felix received a phone call from Gonzalo Go (Gonzalo) informing him that he has bought the subject property thru a certain Benjamin Belisario (Belisario) who represented himself as the attorney-in-fact of Felix. Surprised to learn about the transaction, Felix made an inquiry whereby he learned that the owner's duplicate certificate of title of the subject property was lost while in the possession of his daughter, Agnes Bucton-Lugod (Agnes). By an unfortunate turn of events, the said certificate of title fell into the hands of Belisario, Josefa Pacardo (Pacardo) and Salome Cabili (Cabili), who allegedly conspired with each other to unlawfully deprive Felix of his ownership of the above-mentioned property.

As shown in the annotation at the back of the title, the Spouses Bucton purportedly authorized Belisario to sell the subject property to third persons, as evidenced by a Special Power of Attorney (SPA)<sup>6</sup> allegedly signed by the Spouses Bucton on 27 February 1981. On the strength of the said SPA, Belisario, on 2 March 1981, executed a Deed of Absolute Sale<sup>7</sup> in favor of the Spouses Go. Consequently, the Registry of Deeds of Cagayan de Oro City cancelled TCT No. T-9830 in the name of Felix and issued a new one under TCT No. T-34210 in the names of the Spouses Go.

Meanwhile, Felix passed away leaving Nicanora, Erlinda Bucton-Eblamo, Agnes, Wilma Bucton-Yray and Don Bucton (Heirs of Felix), as his intestate heirs.

Claiming that the signatures of the Spouses Bucton on the SPA were forged, the Heirs of Felix, on 19 February 1996, filed against the Spouses Go a complaint for Annulment of the SPA, Deed of Absolute Sale and TCT No. T-34210, Recovery of Ownership and Possession, Damages, with Prayer for Writ of Preliminary Injunction or Temporary Restraining

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<sup>4</sup> Id. at 19.

<sup>5</sup> Id. at 15-16.

<sup>6</sup> Id. at 17.

<sup>7</sup> Id. at 18.

Order before the RTC of Misamis Oriental, Branch 17.<sup>8</sup> In their Complaint docketed as Civil Case No. 96-093, the Heirs of Felix mainly alleged that since the SPA was spurious, no valid title was conveyed to the Spouses Go.<sup>9</sup> Such being the case, the Heirs of Felix argued that the cancellation of the certificate of title in the names of the Spouses Go and the reconveyance of the ownership and possession of the disputed property, are warranted in the instant case.<sup>10</sup>

In their Answer,<sup>11</sup> the Spouses Go refuted the allegations in the complaint by asserting that they are buyers in good faith and for value, and that they are in actual possession of the property from the time it was purchased in 1981. In insisting that their title is valid and binding, the Spouses Go argued that under the Torrens system, a person dealing with the registered land may safely rely on the correctness of the certificate of title without the need of further inquiry. For this reason, they posited that the Court cannot disregard the right of an innocent third person who relies on the correctness of the certificate of title and they are entitled to the protection of the law.

After the pre-trial conference was terminated without the parties having reached at an amicable settlement, the RTC went on to receive testimonial and documentary evidence adduced by the parties in support of their respective positions.

On 25 June 2005, the RTC issued a Judgment,<sup>12</sup> finding that the complaint filed by the Heirs of Felix is already barred by laches and prescription. The court *a quo* observed that from the time the alleged fraudulent transaction was discovered in 1981 up to 1996 the complainants failed to take any legal step to assail the title of the Spouses Go. The trial court thus disposed in the following wise:

WHEREFORE, premises considered, the court finds for the defendants. Accordingly, the case is hereby dismissed as it is hereby dismissed on grounds that plaintiffs were barred by laches and prescription. With costs against plaintiffs.<sup>13</sup>

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<sup>8</sup> Id. at 2-12.

<sup>9</sup> Id.

<sup>10</sup> Id.

<sup>11</sup> Id. at 33-36.

<sup>12</sup> Id. at 578-586.

<sup>13</sup> Id. at 586.

Elevated by the Heirs of Felix on appeal before the Court of Appeals, under CA-G.R. CV No. 00888-MIN, the foregoing decision was affirmed by the appellate court in its 27 May 2009 Decision.<sup>14</sup> In upholding the dismissal of the complaint, the Court of Appeals found that the evidence adduced by the Heirs of Felix failed to preponderantly establish that the questioned SPA was a forgery.<sup>15</sup> The appellate court further declared that the Spouses Go were innocent purchasers for value who acquired the property without any knowledge that the right of Belisario as attorney-in-fact was merely simulated.<sup>16</sup> It determined that the Spouses Go can rely in good faith on the face of the certificate of title, and in the absence of any sign that might arouse suspicion, the buyers are under no obligation to undertake further investigation.<sup>17</sup> The dispositive portion of the assailed Court of Appeals Decision reads:

WHEREFORE, in view of all the foregoing, the instant appeal is hereby DISMISSED and the assailed June 25, 2005 Decision of the Regional Trial Court (RTC) of Misamis Oriental, Branch 17, 10<sup>th</sup> Judicial Region, Cagayan de Oro City, in Civil Case No. 96-093, is hereby AFFIRMED *in toto*.<sup>18</sup>

The Heirs of Felix are now before this Court assailing the above-quoted Court of Appeals Decision and raising the following issues:

### *The Issues*

I. WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN RULING THAT THE SIGNATURES OF THE SPOUSES BUCTON IN THE SPA WERE NOT FORGED;

II. WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN FINDING THAT THE SPOUSES GO ARE INNOCENT PURCHASERS FOR VALUE; AND

III. WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED WHEN IT HELD THAT ACTION OF THE HEIRS OF FELIX ARE ALREADY BARRED BY LACHES AND PRESCRIPTION.<sup>19</sup>

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<sup>14</sup> *Rollo*, pp. 43-70.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 69.

<sup>19</sup> *Id.* at 13-14.

### *The Court's Ruling*

We find the petition impressed with merit.<sup>20</sup>

As a rule, forgery cannot be presumed and must be proved by clear, positive and convincing evidence and the burden of proof lies on the party alleging forgery. The best evidence of a forged signature in the instrument is the instrument itself reflecting the alleged forged signature. The fact of forgery can only be established by comparison between the alleged forged signature and the authentic and genuine signature of the person whose signature is theorized upon to have been forged.<sup>21</sup>

To prove forgery, the Heirs of Felix offered the testimony of an expert witness, Eliodoro Constantino (Constantino) of the National Bureau of Investigation who testified that significant differences existed between the signatures of Felix on the standard documents from the one found in the SPA of Belisario. His testimony, however, was disregarded both by the RTC and the Court of Appeals which upheld the validity of the SPA on the ground that it enjoys the presumption of regularity of a public document.

While it is true that a notarized document carries the evidentiary weight conferred upon it with respect to its due execution, and has in its favor the presumption of regularity, this presumption, however, is not absolute.<sup>22</sup> It may be rebutted by clear and convincing evidence to the contrary.<sup>23</sup> The testimony of Constantino and Nicanora, had it been properly appreciated, is sufficient to overcome the presumption of regularity attached to public documents and to meet the stringent requirements to prove forgery.

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<sup>20</sup> Factual findings of trial courts, especially when affirmed by the Court of Appeals, as in this case, are binding on the Supreme Court. Indeed, the review of such findings is not a function that this Court normally undertakes. It should be stressed that under the 1997 Rules of Civil Procedure, as amended, only questions of law may be raised in a petition for review before this Court. However, this Rule is not absolute; it admits of exceptions, such as (1) when the findings of a trial court are grounded entirely on speculation, surmises or conjectures; (2) when a lower court's inference from its factual findings is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the findings of the appellate court go beyond the issues of the case, run contrary to the admissions of the parties to the case, or fail to notice certain relevant facts which — if properly considered — will justify a different conclusion; (5) when there is a misappreciation of facts; (6) when the findings of fact are conclusions without mention of the specific evidence on which they are based, are premised on the absence of evidence, or are contradicted by evidence on record. See *Philippine Rabbit Bus Lines, Inc. v. Macalinao*, 491 Phil. 249, 255-256 (2005).

<sup>21</sup> *Citibank, N.A. v. Sabeniano*, 535 Phil. 384, 471-472 (2006).

<sup>22</sup> *Eulogio v. Apeles*, G.R. No. 167884, 20 January 2009, 576 SCRA 561, 571.

<sup>23</sup> *Id.*

Constantino pointed out in open court the manifest disparity between the strokes of the letters of Felix's purported signature on the assailed SPA and the latter's genuine signature which led him to conclude that the standard signature and the one appearing in the SPA were not written by one and the same person.<sup>24</sup> To further fortify their claim, Nicanora herself took the witness stand and testified that she is familiar with her husband's signature for they had been married for more than 50 years. She denied having signed her name on the SPA and averred that the signature appearing above the name of Felix was not that of her husband.<sup>25</sup>

Evidently, the foregoing testimonial evidence adduced by the Heirs of Felix are proof opposite to that which is required to show the genuineness of a handwriting as set forth by the Rules of Court:

Rule 132. Sec. 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 been charged, or 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.<sup>26</sup>

In upholding the validity of the SPA, the Court of Appeals brushed aside the foregoing testimonial evidence of the expert witness and made an independent examination of the questioned signatures, and based thereon, ruled that there is no forgery. The appellate court attributed the variations to the passage of time and the person's increase in age and dismissed the findings of the expert witness because it failed to comply with the rules set forth in jurisprudence that the standard should embrace the time of origin of the document, so that one part comes from the time before the origin and one part from the time after the origin.<sup>27</sup> We are not unmindful of the principle that in order to bring about an accurate comparison and analysis, the standard of comparison must be as close as possible in point of time to the suspected signature.<sup>28</sup> However, when the dissimilarity between the genuine and false specimens of writing is visible to the naked eye and would not ordinarily escape notice or detection from an unpracticed observer, resort to technical rules is no longer necessary and the instrument may be stricken off for being spurious. More so when, as in this case, the forgery was testified

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<sup>24</sup> TSN, 20 June 2000, pp. 2-35.

<sup>25</sup> TSN, 31 August 2000, pp. 2-19.

<sup>26</sup> *Sanson v. Court of Appeals*, 449 Phil. 343, 355 (2003).

<sup>27</sup> *Cogtong v. Kyoritsu International, Inc.*, 555 Phil. 302, 307 (2007).

<sup>28</sup> *Id.*

to and thus established by evidence other than the writing itself. When so established and is conspicuously evident from its appearance, the opinion of handwriting experts on the forged document is no longer necessary.<sup>29</sup>

Far more important from the testimony of the witnesses is the fact that in 1984, Felix filed a criminal case for falsification of public document against Belisario, Pacardo and Cabili docketed as Criminal Case No. 4679 before the RTC of Misamis Oriental, Branch 22.<sup>30</sup> The case was, however, archived after the accused jumped bail and could not be arrested.<sup>31</sup>

Indubitably, the foregoing testimonial and circumstantial evidence cast doubt on the integrity, genuineness, and veracity on the questioned SPA and impels this Court to tilt the scale in favor of the Heirs of Felix. Although there is no direct evidence to prove forgery, preponderance of evidence indubitably favors the Heirs of Felix. 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 “greater weight of the evidence” or “greater weight of the credible evidence.”<sup>32</sup> Preponderance of evidence is a phrase which, in the last analysis, means probability of the truth. It is evidence which is more convincing to the court as worthier of belief than that which is offered in opposition thereto.<sup>33</sup>

We now proceed to determine whether the Spouses Go are innocent purchasers for value. It has been consistently held that a forged deed can become a source of a valid title when the buyers are in good faith.<sup>34</sup>

An innocent purchaser for value is one who buys the property of another without notice that some other person has a right to or interest in it, and who pays a full and fair price at the time of the purchase or before receiving any notice of another person’s claim.<sup>35</sup> The burden of proving the status of a purchaser in good faith and for value lies upon one who asserts that status.<sup>36</sup> This *onus probandi* cannot be discharged by mere invocation of the ordinary presumption of good faith.<sup>37</sup>

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<sup>29</sup> *Gamido v. Court of Appeals*, 321 Phil. 463, 472-473 (1995).

<sup>30</sup> Records, p. 579.

<sup>31</sup> Id.

<sup>32</sup> Id.

<sup>33</sup> Id.

<sup>34</sup> *Rufloe v. Burgos*, G.R. No. 143573, 30 January 2009, 577 SCRA 264, 273.

<sup>35</sup> Id.

<sup>36</sup> Id.

<sup>37</sup> Id.

As a general rule, every person dealing with registered land may safely rely on the correctness of the certificate of title issued therefore and the law will no way oblige him to go beyond the certificate to determine the condition of the property.<sup>38</sup> However, this principle admits exceptions:

x x x (a) person dealing with registered land has a right to rely on the Torrens certificate of title and to dispense with the need of inquiring further except when the party has actual knowledge of facts and circumstances that would impel a reasonably cautious man to make such inquiry or when the purchaser has knowledge of a defect or the lack of title in his vendor or of sufficient facts to induce a reasonably prudent man to inquire into the status of the title of the property in litigation. The presence of anything which excites or arouses suspicion should then prompt the vendee to look beyond the certificate and investigate the title of the vendor appearing on the face of the certificate. One who falls within the exception can neither be denominated [as] innocent purchaser for value nor a purchaser in good faith; and hence does not merit the protection of the law.<sup>39</sup>

While this Court protects the right of the innocent purchaser for value and does not require him to look beyond the certificate of title, this protection is not extended to a purchaser who is not dealing with the registered owner of the land. In case the buyer does not deal with the registered owner of the real property, the law requires that a higher degree of prudence be exercised by the purchaser. As succinctly pointed out in *San Pedro v. Ong*:<sup>40</sup>

The Court has stressed time and again that every person dealing with an agent is put upon inquiry, and must discover upon his peril the authority of the agent, and this is especially true where the act of the agent is of unusual nature. **If a person makes no inquiry, he is chargeable with knowledge of the agent's authority, and his ignorance of that authority will not be any excuse.** (Emphasis and underscoring supplied).

An assiduous examination of the records of this case pointed to the utter lack of good faith of the Spouses Go. There is no question that the Spouses Go dealt not with the registered owner of the property, but with a certain Belisario, who represented himself as an agent of Felix. An ordinary prudent man in this situation would have first inquired with the registered owner if he is indeed selling his property and if he authorized the purported agent to negotiate and to sell the said property on his behalf. It is inconceivable for the Spouses Go to have been without any opportunity to

<sup>38</sup> *Cayana v. Court of Appeals*, 469 Phil. 830, 846 (2004).

<sup>39</sup> *Id.*

<sup>40</sup> G.R. No. 177598, 17 October 2008, 569 SCRA 767, 785.

contact Felix before the transaction, given that the Spouses Go personally knew the Buctons' for they are residents of the same locality and both Felix and Gonzalo were members of the Knights of Columbus. Instead, the Spouses Go entered into a sale contract with an agent according full faith and credence to the SPA he was presented with thereby exposing the evident dearth of merit in their claim that they exercised prudence in entering into the sale in question. It was only after the sale was consummated that Gonzalo called Felix to inform him that he already bought the subject property from Belisario who was surprised to learn about the transaction. In an effort to extricate themselves from this quandary, the Spouses Go claimed that they authorized their lawyer to inspect the title of the property including the property itself for any possible burdens. Such assertion could have saved the day for the Spouses Go if they were dealing directly with the registered owner and not with a mere agent. As buyers of the property dealing with an agent, the Spouses Go are chargeable with knowledge of agent's authority or the lack thereof, and their failure to ascertain the genuineness and authenticity of the latter's authority do not entitle them to invoke the protection the law accords to purchasers in good faith and for value. They cannot close their eyes to facts that should put a reasonable man on his guard and still claim that he acted in good faith. Certainly, we cannot ascribe good faith to those who have not shown any diligence in protecting their rights.<sup>41</sup>

Likewise worthy of credence is the claim of the Heirs of Felix that the instant case is not barred by laches or prescription. As held in *Titong v. Court of Appeals*,<sup>42</sup> ownership and real rights over real property are acquired by ordinary prescription through possession of ten years,<sup>43</sup> provided that the occupant is in good faith and with just title, *viz.*:

x x x [A] prescriptive title to real estate is not acquired by mere possession thereof under claim of ownership for a period of ten years unless such possession was acquired *con justo tilulo y buena fe* (with color of title and good faith). The good faith of the possessor consists in the reasonable belief that the person from whom he received the thing was the owner thereof, and could transmit his ownership. For purposes of prescription, there is just title when the adverse claimant came into possession of the property through one of the modes recognized by law for the acquisition of ownership or other real rights but the grantor was not the owner or could not transmit any right.<sup>44</sup>

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<sup>41</sup> *Rufloe v. Burgos*, supra note 34 at 275-276.

<sup>42</sup> 350 Phil. 544 (1998).

<sup>43</sup> Civil Code, Art. 1134. Ownership and other real rights over immovable property are acquired by ordinary prescription through possession of ten years.

<sup>44</sup> *Titong v. Court of Appeals*, supra note 42 at 556.

As pointed out earlier, the Spouses Go miserably failed to meet the requirements of good faith and just title, thus, the ten-year prescriptive period is a defense unavailable to them. It must be stressed that possession by virtue of a spurious title cannot be considered constructive possession for the purpose of reckoning the ten-year prescriptive period. The conclusion of the appellate court that prescription has already set in is erroneously premised on the absence of forgery and the consequent validity of the deed of sale. And, extraordinary acquisitive prescription cannot, similarly, vest ownership over the property upon the Spouses Go since the law requires 30 years of uninterrupted adverse possession without need of title or of good faith before real rights over immovable prescribes.<sup>45</sup> The Spouses Go purportedly took possession of the subject property since March 1981 but such possession was effectively interrupted with the filing of the instant case before the RTC on 19 February 1996.<sup>46</sup> This period is 15 years short of the thirty-year requirement mandated by Article 1137.<sup>47</sup>

**WHEREFORE**, premises considered, the petition is **GRANTED**. The assailed Decision of the Court of Appeals is hereby **REVERSED and SET ASIDE**.

**SO ORDERED.**

  
**JOSE PORTUGAL PEREZ**  
Associate Justice

WE CONCUR:

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson

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<sup>45</sup> Id. at 556-557.

<sup>46</sup> Records, pp. 2-12.

<sup>47</sup> Civil Code, Art. 1137. Ownership and other real rights over immovables also prescribe through uninterrupted adverse possession thereof for thirty years, without need of title or of good faith.

  
**ARTURO D. BRION**  
Associate Justice

  
**MARIANO C. DEL CASTILLO**  
Associate Justice

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

**A T T E S T A T I O N**

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

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson, Second Division

**C E R T I F I C A T I O N**

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were 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