

FIRST DIVISION

[G.R. No. 228999, April 28, 2021]

ANA DE JOYA AND CIRIACO DE JOYA, LERMA R. CASTILLO AND MARIO CASTILLO, SPOUSES DOMINGO CORDERO AND LEONCIA CORDERO, AND RICARDO VILLALOBOS, AS THE SURVIVING HEIRS OF SPOUSES EUFRONIO CORDERO AND TARCILA C. CORDERO, PETITIONERS, VS. FRANCISCO P. MADLANGBAYAN, SUBSTITUTED BY RODESINDA F. MADLANGBAYAN AND MARIA LOURDES M. MONTALBO, THE REGISTER OF DEEDS FOR THE PROVINCE OF BATANGAS, SPOUSES ROLANDO DALIDA AND MARIA FLORITA DALIDA, SPOUSES GEORGE GULLET AND CONCHITA GULLET, SPOUSES ROSENDO RAMOS AND ISABELITA RAMOS, RENATO GO, CHOLLIE MAGNAYE-GO, VENECIO H. MAGNAYE, CRISTETA SALCEDOMAGNAYE AND JAYSON MAGNAYE, RESPONDENTS.

DECISION

GAERLAN, J.:

Before this Court is a petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court seeking to annul and set aside the Decision^[2] dated September 26, 2016, of the Court of Appeals (CA) in CA-G.R. CV No. 105049, and its Resolution^[3] dated December 28, 2016, denying the motion for reconsideration thereof. The assailed issuances granted the appeal and reversed and set aside the *Judgment* dated December 10, 2014, of the Regional Trial Court (RTC) of Batangas City, Branch 84.

The Antecedent Facts

Petitioners Ana de Joya and Ciriaco de Joya, Lerma R. Castillo and Mario Castillo, Spouses Domingo Cordero and Leoncia Cordero, and Eufronio Cordero and Tarcila Cordero (petitioners) are the registered owners of two parcels of agricultural land - Lot Nos. 5 and 6, consisting of an area of 140,327 square meters and 31,465 square meters, respectively (subject properties). Both are located at Barrio Concordia, Alitagtag, Batangas, and are covered by Transfer Certificate of Title (TCT) No. T-64767.^[4]

By virtue of a Special Power of Attorney dated January 23, 1992, and a *Pangkalahatang Gawad ng Kapangyarihang Hindi Natitinag* dated February 5, 1996, petitioners granted respondent Francisco P. Madlangbayan (respondent Madlangbayan) the authority to sell the subject properties.^[5]

Sometime during the first half of April 1996, respondent Madlangbayan received a counter-offer from respondents Spouses Ma. Florita and Roiando Dalida, Spouses Guillermo and Rosalinda Cano, and spouses Rosendo and Isabelita Ramos

(respondents Dalida, et al.). The counter-offer was rejected by the petitioners in a letter^[6] dated April 10, 1996, viz.:

Bauan, Batangas

April 10, 1996

Rolando Z. Dalida Chairman of the Board Rural Bank of Bauan Inc.
Bauan, Batangas

My dear Mr. Dalida,

I regret to inform you that after conferring with my client, the owner of the parcel of land I have been authorized to sell, they could not agree on almost all of your counter offer, particularly on the amount of the total consideration and the terms of payment. This is so because they are in great need of cash and the amount of SEVENTEEN MILLION (P17,000,000.00) PESOS is non-negotiable. However, if you could give a better offer I could agree to give you the right to buy the property after May 31, 1996.

Very truly yours,

(signed)

Francisco P. Madlangbayan

Subsequent thereto, petitioners alleged that former Mayor Rod A. Macalintal in a meeting with petitioner Eufronio Cordero (petitioner Eufronio), agreed to accept their offer to sell the subject properties at the price of P100.00 per square meter. The agreement however did not push thru due to a conflict in respondent Madlangbayan's commission. The latter supposedly claimed a share of P13,600,000.00 commission out of the P17,000,000.00 purchase price.^[7]

Due to the disagreement, the petitioners executed a *Revocation of Special Power of Attorney and General Power of Attorney* on May 3, 1996, rescinding respondent Madlangbayan's authority over the subject properties.^[8]

On June 5, 1996, the petitioners sent a letter to respondent Madlangbayan, demanding, in view of the revocation of the power of attorney, for the latter to surrender the owner's duplicate certificate of title.^[9] As the demand remained unheeded, the petitioners filed an Affidavit of Adverse Claim on TCT No. 64767 before the Registry of Deeds of Batangas on July 1, 1997.^[10]

On July 14, 1997, a complaint for revocation of authority was filed by the petitioners against respondent Madlangbayan. In response, the latter replied that the authority could no longer be revoked as he had already sold the property pursuant to the power of attorney given him.^[11]

Petitioners filed a *Supplemental Complaint/Petition* dated January 26, 1998, impleading as defendants herein respondents Dalida, et al. for entering into a conspiracy with respondent Madlangbayan in executing a fake *Deed of Absolute*

Sale, dated April 8, 1996, over the subject properties.^[12]

On March 21, 2000, petitioners filed a *Second Supplemental Complaint/Petition* praying for additional damages on account of the lost owner's duplicate certificate of title over the subject properties.^[13]

During trial, the petitioners presented evidence which tend to prove that they had rejected the initial proposal submitted to them for the sale of the subject properties and that respondent Madlangbayan's authority to sell the subject properties had been revoked due to a misunderstanding in the latter's commission.^[14]

Further, petitioners averred that on a separate occasion, on November 8, 1998, petitioner Eufronio discovered a letter dated April 10, 1996, addressed to respondent Rolando Dalida in which the subject properties were offered to the latter for a non-negotiable amount of P17,000,000.00. Thereafter, petitioner Eufronio was surprised to learn that the subject properties were sold to respondent spouses Dalida for the amount of P10,000,000.00 by virtue of a *Deed of Absolute Sale* dated April 8, 1996.^[15]

For their part, respondents Dalida, et al. claim that sometime in 1995, respondent Madlangbayan, armed with a special power of attorney, offered the subject properties to them for the amount of P17,000,000.00. Respondents Dalida, et al. made a counter offer of P10,000 000.00 which was accepted. Consequently, with the execution of a *Deed of Absolute Sale* dated April 8, 1996, the purchase price of P10,000,000.00 was deposited in respondent Madlangbayan's account in the Rural Bank of Bauan. The owner's duplicate copy of title over the subject properties was then given to respondents Dalida, et al.^[16]

After trial, the RTC rendered its Decision^[17] on August 8, 2002, which found respondents Dalida, et al., to be buyers in good faith, thereby ruling as follows:

WHEREFORE, judgment is hereby rendered in favor of [respondent Madlangbayan and respondents Dalida et al.] upholding the validity of the Special Powers of Attorneys (Exhibits "B" and "C") and the Deed of Absolute Sale (Exhibit "K").

The amount in escrow deposit on (sic.) Ten Million Pesos (Php10,000,000.00) with the Rural Bank of Bauan shall be paid and delivered to the [petitioners] or their authorized representatives by the [respondents] and the said bank.

The counterclaims are likewise DISMISSED sans evidence of bad faith in filing this case. No pronouncement as to cost.

SO ORDERED.^[18]

The petitioners filed an appeal before the CA, docketed as CA G.R. CV No. 77685. While the appeal was pending, the petitioners filed a *Motion for New Trial (On the Ground of Newly Discovered Evidence)*. In its Resolution^[19] dated December 13, 2005, the CA granted the motion, viz.:

WHEREFORE, finding the instant "MOTION FOR NEW TRIAL (On the Ground of Newly Discovered Evidence)" to be impressed with merit, the same is hereby GRANTED. Guided by Section 4, Rule 53 and Sections 3 and 6, Rule 37 of the Revised Rules of Court, the assailed 8 August 2002 Decision of the Regional Trial Court of Batangas City, Branch 84, is SET ASIDE. Said court is ordered to HOLD a trial *de novo* within a non-extendible period of thirty (30) days from notice. This Court's Judicial Records Division (Civil Records Section) is hereby DIRECTED to REMAND the entire records of this case to the court *a quo*.

SO ORDERED.^[20]

In the course of the new trial, the petitioners presented evidence which tend to establish the circumstances attending Certificate of Time Deposit (CTD) No. 7290 dated April 10, 1996, in the name of respondent Madlangbayan. The proceedings likewise revealed that the subject properties had been sold by respondents Dalida, et al. to respondent spouses Chollie Go and Renato Go (respondents Go, et al.) by virtue of a Deed of Absolute Sale, dated April 24, 2003, and that the owner's duplicate certificate of title is now in the possession of respondent Chollie's brother, Renato Go.^[21]

With the new information, petitioners filed a *Third Supplemental Complaint* dated November 16, 2006, impleading respondents Go, et al. in the case.^[22]

On March 8, 2007, petitioners filed a *Motion for Summary Judgment/Judgement on the Pleadings*. Despite respondents Go, et al.'s opposition, the RTC rendered its *Decision (New)*^[23] dated June 27, 2007. The RTC found that the price of the sale was simulated and unpaid; and that the records are bereft of evidence to prove good faith on the part of respondents Dalida, et al. Thus, the RTC upheld the rights of the petitioners over the subject properties. The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants:

- a. Ordering the [respondents], namely Renato Go, Chollie Go, Venecio H. Magnayee, Cristela Salcedo-Magnaye and Jayson Magnaye to vacate and deliver to [petitioners] the two (2) parcels of land in question including improvements, both covered by TCT No. T-64767 issued by the Register of Deeds for the Province of Batangas being the property located in Barrio Concordia, Municipality of Alitagtag, Province of Batangas. x x x
- b. To pay lost or unrealized income (rental): for the 14.0327 hectares and 3.1465 hectares x x x
- c. To pay the interest of 6% per annum on the respective amounts jointly by all [respondents] from the date of this decision until fully paid;
- d. To pay moral damages jointly by all [respondents] in the amount of P300,000.00; and P100,000.00 as exemplary damages;

- e. To pay attorney's fee in the amount of P215,573.00 which was incurred by the [petitioners] from January 1998 to July 2002 to be paid jointly by the [respondents Dalida, et al.] only;
- f. To pay attorney's fee in the amount of P348,515.00 which was the attorney's fee incurred by the [petitioners] from April 2003 to April 2007 to be paid jointly by [respondents Dalida, et al.] and [respondents Go et al.] and;
- g. Costs[s] of suit.

SO ORDERED.^[24]

Motion for Reconsideration of the June 27, 2007 Decision of the RTC having been denied, respondents Go, et al. filed an appeal before the CA. The case was docketed as CA-G.R. CV No. 90502.^[25]

On December 17, 2009, the CA rendered its Decision^[26] finding the appeal meritorious, thus:

WHEREFORE, in view of the foregoing, the appeal is GRANTED. The decision dated June 27, 2007 assailed herein is SET ASIDE. The case, with its entire records, is ordered REMANDED to the trial court for continuation or proper proceedings on the merits which must be conducted with dispatch.

SO ORDERED.^[27]

On January 5, 2010, petitioners filed a Motion for Reconsideration, but the same was denied by the CA in its Resolution^[28] dated July 23, 2010.^[29]

In accordance with the December 17, 2009 Decision of the CA, the RTC issued an Order setting the case for continuation of trial on October 25, 2012.^[30]

In the course of the proceedings in the court below, respondents Go, et al. presented the testimony of respondent Jayson Magnaye. Magnaye testified that at the time of sale, a certain Diosdado Andal leased a portion of the subject properties. After the sale, respondents Go, et al. took possession and introduced improvements on the subject properties. However, on February 14, 2008, petitioners forcibly took the subject properties.^[31]

On December 10, 2014, the RTC rendered its Judgment^[32] in favor of the petitioners and against the respondents. The dispositive portion of which reads:

WHEREFORE, premises considered, the Court finds that a preponderance of evidence exists in favor of the [Petitioners] and against the [Respondents]. Judgment is hereby rendered, as follows:

- 1) The Special Power of Attorney dated January 23, 1992 and General Power of Attorney dated February 5, 1996 executed in favor of [Respondent] Francisco Madlangbayan are annulled, revoked and