

THIRD DIVISION

[G.R. No. 193038, March 11, 2015]

**JOSEFINA V. NOBLEZA, PETITIONER, VS. SHIRLEY B. NUEGA,
RESPONDENT.**

DECISION

VILLARAMA, JR., J.:

At bar is a petition for review on certiorari of the Decision^[1] dated May 14, 2010 and the Resolution^[2] dated July 21, 2010 of the Court of Appeals (CA) in CA-G.R. CV No. 70235, which affirmed with modification the assailed Decision^[3] dated February 14, 2001 of the Regional Trial Court (RTC) of Marikina City, Branch 273, in Civil Case No. 96-274-MK.

The following facts are found by the trial court and affirmed by the appellate court:

Respondent Shirley B. Nuega (Shirley) was married to Rogelio A. Nuega (Rogelio) on September 1, 1990.^[4] Sometime in 1988 when the parties were still engaged, Shirley was working as a domestic helper in Israel. Upon the request of Rogelio, Shirley sent him money^[5] for the purchase of a residential lot in Marikina where they had planned to eventually build their home. Rogelio was then also working abroad as a seaman. The following year, or on September 13, 1989, Rogelio purchased the subject house and lot for One Hundred Two Thousand Pesos (P102,000.00)^[6] from Rodeanna Realty Corporation. The subject property has an aggregate area of one hundred eleven square meters (111 sq. m.) covered by Transfer Certificate of Title (TCT) No. N-133844.^[7] Shirley claims that upon her arrival in the Philippines sometime in 1989, she settled the balance for the equity over the subject property with the developer through SSS^[8] financing. She likewise paid for the succeeding monthly amortizations. On October 19, 1989, TCT No. 171963^[9] over the subject property was issued by the Registry of Deeds of Marikina, Rizal solely under the name of Rogelio.

On September 1, 1990, Shirley and Rogelio got married and lived in the subject property. The following year, Shirley returned to Israel for work. While overseas, she received information that Rogelio had brought home another woman, Monica Escobar, into the family home. She also learned, and was able to confirm upon her return to the Philippines in May 1992, that Rogelio had been introducing Escobar as his wife.

In June 1992, Shirley filed two cases against Rogelio: one for Concubinage before the Provincial Prosecution Office of Rizal, and another for Legal Separation and Liquidation of Property before the RTC of Pasig City. Shirley later withdrew the complaint for legal separation and liquidation of property, but re-filed^[10] the same

on January 29, 1993. In between the filing of these cases, Shirley learned that Rogelio had the intention of selling the subject property. Shirley then advised the interested buyers - one of whom was their neighbor and petitioner Josefina V. Nobleza (petitioner) - of the existence of the cases that she had filed against Rogelio and cautioned them against buying the subject property until the cases are closed and terminated. Nonetheless, under a Deed of Absolute Sale^[11] dated December 29, 1992, Rogelio sold the subject property to petitioner without Shirley's consent in the amount of Three Hundred Eighty Thousand Pesos (P380,000.00), including petitioner's undertaking to assume the existing mortgage on the property with the National Home Mortgage Finance Corporation and to pay the real property taxes due thereon.

Meanwhile, in a Decision^[12] dated May 16, 1994, the RTC of Pasig City, Branch 70, granted the petition for legal separation and ordered the dissolution and liquidation of the regime of absolute community of property between Shirley and Rogelio, viz.:

WHEREFORE, in view of the foregoing, the Court hereby grants the instant petition for legal separation between the subject spouses with all its legal effects as provided for in Art. 63 of the Family Code. Their community property is consequently dissolved and must be liquidated in accordance with Art. 102 of the New Family Code. The respondent is thus hereby enjoined from selling, encumbering or in any way disposing or alienating any of their community property including the subject house and lot before the required liquidation. Moreover, he, being the guilty spouse, must forfeit the net profits of the community property in favor of the petitioner who is the innocent spouse pursuant to Art. 43 of the aforesaid law. Finally, in the light of the claim of ownership by the present occupants who have not been impleaded in the instant case, a separate action must be instituted by the petitioner against the alleged buyer or buyers thereof to determine their respective rights thereon.

Let a copy of this decision be furnished the Local Civil Registrar of Manila, the Register of Deeds of Marikina, Metro Manila and the National Statistics Office (NSO), sta. Mesa, Manila.

SO ORDERED.^[13]

Rogelio appealed the above-quoted ruling before the CA which denied due course and dismissed the petition. It became final and executory and a writ of execution was issued in August 1995.^[14]

On August 27, 1996, Shirley instituted a Complaint^[15] for Rescission of Sale and Recoveiy of Property against petitioner and Rogelio before the RTC of Marikina City, Branch 273. After trial on the merits, the trial court rendered its decision on February 14, 2001, viz.:

WHEREFORE, foregoing premises considered, judgment is hereby rendered in favor of plaintiff Shirley Nueva and against defendant Josefina Nobleza, as follows:

- 1) the Deed of Absolute Sale dated December 29, 1992 insofar as the 55.05 square meters representing the one half (1/2)

- portion of plaintiff Shirley Nuega is concerned, is hereby ordered rescinded, the same being null and void;
- 2) defendant Josefina Nobleza is ordered to reconvey said 55.05 square meters to plaintiff Shirley Nuega, or in the alternative to pay plaintiff Shirley Nuega the present market value of said 55.05 square meters; and
 - 3) to pay plaintiff Shirley Nuega attorney's fees in the sum of Twenty Thousand Pesos (P20,000.00).

For lack of merit, defendant's counterclaim is hereby **DENIED**.

SO ORDERED.^[16]

Petitioner sought recourse with the CA, while Rogelio did not appeal the ruling of the trial court. In its assailed Decision promulgated on May 14, 2010, the appellate court affirmed with modification the trial court's ruling, viz.:

WHEREFORE, subject to the foregoing disquisition, the appeal is **DENIED**. The Decision dated 14 February 2001 of the Regional Trial Court of Marikina City, Branch 273 in *Civil Case No. 96-274-MK* is **AFFIRMED** with **MODIFICATION** in that the Deed of Absolute Sale dated 29 December 1992 is hereby declared null and void in its entirety, and defendant-appellant Josefina V. Nobleza is ordered to reconvey the entire subject property to plaintiff-appellee Shirley B. Nuega and defendant Rogelio Nuega, without prejudice to said defendant-appellant's right to recover from defendant Rogelio whatever amount she paid for the subject property. Costs against defendant-appellant Nobleza.

SO ORDERED.^[17]

Petitioner moved for reconsideration. In a Resolution dated July 21, 2010, the appellate court denied the motion for lack of merit. Hence, this petition raising the following assignment of errors:

- [I.] THE HONORABLE COURT OF APPEALS ERRED WHEN IT AFFIRMED THE DECISION OF THE REGIONAL TRIAL COURT BY SUSTAINING THE FINDING THAT PETITIONER WAS NOT A PURCHASER IN GOOD FAITH.
- [II.] THE HONORABLE COURT OF APPEALS ERRED WHEN IT MODIFIED THE DECISION OF THE REGIONAL TRIAL COURT BY DECLARING AS NULL AND VOID THE DEED OF ABSOLUTE SALE DATED 29 DECEMBER 1992 IN ITS ENTIRETY.^[18]

We deny the petition.

Petitioner is not a buyer in good faith.

An innocent purchaser for value is one who buys the property of another, without notice that some other person has a **right or interest** in the property, for which a full and fair price is paid by the buyer at the time of the purchase or before receipt of any notice of claims or interest of some other person in the property.^[19] It is the party who claims to be an innocent purchaser for value who has the burden of proving such assertion, and it is not enough to invoke the ordinary presumption of

good faith.^[20] To successfully invoke and be considered as a buyer in good faith, the presumption is that first and foremost, the "buyer in good faith" must have shown prudence and due diligence in the exercise of his/her rights. It presupposes that the buyer did everything that an ordinary person would do for the protection and defense of his/her rights and interests against prejudicial or injurious concerns when placed in such a situation. The prudence required of a buyer in good faith is "not that of a person with training in law, but rather that of an average man who 'weighs facts and circumstances without resorting to the calibration of our technical rules of evidence of which his knowledge is nil.'"^[21] A buyer in good faith does his homework and verifies that the particulars are in order such as the title, the parties, the mode of transfer and the provisions in the deed/contract of sale, to name a few. To be more specific, such prudence can be shown by making an ocular inspection of the property, checking the title/ownership with the proper Register of Deeds alongside the payment of taxes therefor, or inquiring into the minutiae such as the parameters or lot area, the type of ownership, and the capacity of the seller to dispose of the property, which capacity necessarily includes an inquiry into the civil status of the seller to ensure that if married, marital consent is secured when necessary. In fine, for a purchaser of a property in the possession of another to be in good faith, he must exercise due diligence, conduct an investigation, and weigh the surrounding facts and circumstances like what any prudent man in a similar situation would do.^[22]

In the case at bar, petitioner claims that she is a buyer in good faith of the subject property which is titled under the name of the seller Rogelio A. Nueva alone as evidenced by TCT No. 171963 and Tax Declaration Nos. D-012-04723 and D-012-04724.^[23] Petitioner argues, among others, that since she has examined the TCT over the subject property and found the property to have been registered under the name of seller Rogelio alone, she is an innocent purchaser for value and "she is not required to go beyond the face of the title in verifying the status of the subject property at the time of the consummation of the sale and at the date of the sale."^[24]

We disagree with petitioner.

A buyer cannot claim to be an innocent purchaser for value by merely relying on the TCT of the seller while ignoring all the other surrounding circumstances relevant to the sale.

In the case of *Spouses Raymundo v. Spouses Bandong*,^[25] petitioners therein - as does petitioner herein - were also harping that due to the indefeasibility of a Torrens title, there was nothing in the TCT of the property in litigation that should have aroused the buyer's suspicion as to put her on guard that there was a defect in the title of therein seller. The Court held in the *Spouses Raymundo* case that the buyer therein could not hide behind the cloak of being an innocent purchaser for value by merely relying on the TCT which showed that the registered owner of the land purchased is the seller. The Court ruled in this case that the buyer was not an innocent purchaser for value due to the following attendant circumstances, viz.:

In the present case, we are not convinced by the petitioners' incessant assertion that Jocelyn is an innocent purchaser for value. To begin with, she is a grandniece of Eulalia and resides in the same locality where the

latter lives and conducts her principal business. It is therefore impossible for her not to acquire knowledge of her grand aunt's business practice of requiring her *biyaheros* to surrender the titles to their properties and to sign the corresponding deeds of sale over said properties in her favor, as security. This alone should have put Jocelyn on guard for any possible abuses that Eulalia may commit with the titles and the deeds of sale in her possession.^[26]

Similarly, in the case of *Arrofo v. Quiño*,^[27] the Court held that while "the law does not require a person dealing with registered land to inquire further than what the Torrens Title on its face indicates," the rule is not absolute.^[28] Thus, finding that the buyer therein failed to take the necessary precaution required of a prudent man, the Court held that Arrofo was not an innocent purchaser for value, *viz.*:

In the present case, the records show that Arrofo failed to act as a prudent buyer. True, she asked her daughter to verify from the Register of Deeds if the title to the Property is free from encumbrances. However, Arrofo admitted that the Property is within the neighborhood and that she conducted an ocular inspection of the Property. She saw the house constructed on the Property. Yet, Arrofo did not even bother to inquire about the occupants of the house. Arrofo also admitted that at the time of the sale, Myrna was occupying a room in her house as her lessee. The fact that Myrna was renting a room from Arrofo yet selling a land with a house should have put Arrofo on her guard. She knew that Myrna was not occupying the house. Hence, someone else must have been occupying the house.

Thus, Arrofo should have inquired who occupied the house, and if a lessee, who received the rentals from such lessee. Such inquiry would have led Arrofo to discover that the lessee was paying rentals to Quino, not to Renato and Myrna, who claimed to own the Property.^[29]

An analogous situation obtains in the case at bar.

The TCT of the subject property states that its sole owner is the seller Rogelio himself who was therein also described as "single". However, as in the cases of *Spouses Raymundo* and *Arrofo*, there are circumstances critical to the case at bar which convince us to affirm the ruling of both the appellate and lower courts that herein petitioner is not a buyer in good faith.

First, petitioner's sister Hilda Bautista, at the time of the sale, was residing near Rogelio and Shirley's house - the subject property - in Ladislao Diwa Village, Marikina City. Had petitioner been more prudent as a buyer, she could have easily checked if Rogelio had the capacity to dispose of the subject property. Had petitioner been more vigilant, she could have inquired with such facility - considering that her sister lived in the same Ladislao Diwa Village where the property is located - if there was any person other than Rogelio who had any right or interest in the subject property.

To be sure, respondent even testified that she had warned their neighbors at Ladislao Diwa Village - including petitioner's sister - not to engage in any deal with Rogelio relative to the purchase of the subject property because of the cases she