

SECOND DIVISION

[G.R. No. 169548, March 15, 2010]

**TITAN CONSTRUCTION CORPORATION, PETITIONER, VS.
MANUEL A. DAVID, SR. AND MARTHA S. DAVID, RESPONDENTS.**

DECISION

DEL CASTILLO, J.:

The review of factual matters is not the province of this Court.^[1] The Supreme Court is not a trier of facts, and is not the proper forum for the ventilation and substantiation of factual issues.^[2]

This Petition for Review assails the July 20, 2004 Decision^[3] of the Court of Appeals (CA) in CA-G.R. CV No. 67090 which affirmed with modification the March 7, 2000 Decision^[4] of the Regional Trial Court (RTC) of Quezon City, Branch 80. Also assailed is the August 31, 2005 Resolution^[5] of the CA denying the motion for reconsideration.

Factual Antecedents

Manuel A. David, Sr. (Manuel) and Martha S. David (Martha) were married on March 25, 1957. In 1970, the spouses acquired a 602 square meter lot located at White Plains, Quezon City, which was registered in the name of "MARTHA S. DAVID, of legal age, Filipino, married to Manuel A. David" and covered by Transfer Certificate of Title (TCT) No. 156043 issued by the Register of Deeds of Quezon City.^[6] In 1976, the spouses separated *de facto*, and no longer communicated with each other.^[7]

Sometime in March 1995, Manuel discovered that Martha had previously sold the property to Titan Construction Corporation (Titan) for P1,500,000.00 through a Deed of Sale^[8] dated April 24, 1995, and that TCT No. 156043 had been cancelled and replaced by TCT No. 130129 in the name of Titan.

Thus, on March 13, 1996, Manuel filed a Complaint^[9] for Annulment of Contract and Reconveyance against Titan before the RTC of Quezon City. Manuel alleged that the sale executed by Martha in favor of Titan was without his knowledge and consent, and therefore void. He prayed that the Deed of Sale and TCT No. 130129 be invalidated, that the property be reconveyed to the spouses, and that a new title be issued in their names.

In its Answer with Counterclaim,^[10] Titan claimed that it was a buyer in good faith and for value because it relied on a Special Power of Attorney (SPA) ^[11] dated January 4, 1995 signed by Manuel which authorized Martha to dispose of the

property on behalf of the spouses. Titan thus prayed for the dismissal of the complaint.

In his unverified Reply,^[12] Manuel claimed that the SPA was spurious, and that the signature purporting to be his was a forgery; hence, Martha was wholly without authority to sell the property.

Subsequently, Manuel filed a Motion for Leave to File Amended Complaint^[13] which was granted by the trial court. Thus, on October 15, 1996, Manuel filed an Amended Complaint^[14] impleading Martha as a co-defendant in the proceedings. However, despite personal service of summons^[15] upon Martha, she failed to file an Answer. Thus, she was declared in default.^[16] Trial then ensued.

Ruling of the Regional Trial Court

On March 7, 2000, the RTC issued a Decision which (i) invalidated both the Deed of Sale and TCT No. 130129; (ii) ordered Titan to reconvey the property to Martha and Manuel; (iii) directed the Register of Deeds of Quezon City to issue a new title in the names of Manuel and Martha; and (iv) ordered Titan to pay P200,000.00 plus P1,000.00 per appearance as attorney's fees, and P50,000.00 as costs of suit.

The RTC found that:

- 1) The property was conjugal in character since it was purchased by Manuel and Martha with conjugal funds during their marriage. The fact that TCT No. 156043 was registered in the name of "MARTHA S. DAVID x x x married to Manuel A. David" did not negate the property's conjugal nature.
- 2) The SPA professing to authorize Martha to sell the property on behalf of the spouses was spurious, and did not bear Manuel's genuine signature. This was the subject of expert testimony, which Titan failed to rebut. In addition, despite the fact that the SPA was notarized, the genuineness and due execution of the SPA was placed in doubt since it did not contain Manuel's residence certificate, and was not presented for registration with the Quezon City Register of Deeds, in violation of Section 64 of Presidential Decree No. 1529.^[17]
- 3) The circumstances surrounding the transaction with Martha should have put Titan on notice of the SPA's dubious veracity. The RTC noted that aside from Martha's failure to register the SPA with the Register of Deeds, it was doubtful that an SPA would have even been necessary, since the SPA itself indicated that Martha and Manuel lived on the same street in Navotas.

The dispositive portion of the trial court's Decision reads:

Wherefore, judgment is hereby rendered:

- 1.) Declaring the Deed of Sale dated April 24, 1995 as void ab

initio and without force and effect.

- 2.) Declaring null and void TCT No. 130129 issued by the Register of Deeds of Quezon City in the name of defendant Titan Construction Corporation.
- 3.) Ordering defendant Titan Construction Corporation to reconvey the subject property to plaintiff and his spouse.
- 4.) Ordering the Register of Deeds of Quezon City to make and issue a new title in the name of plaintiff Manuel David and his Spouse, Martha David.
- 5.) Ordering defendant to pay P200,000.00 plus P1,000.00 per appearance as attorney's fees and P50,000.00 as costs of suit.

SO ORDERED.^[18]

Ruling of the Court of Appeals

In its Decision dated July 20, 2004, the CA affirmed the Decision of the trial court but deleted the award of attorney's fees and the amount of P50,000.00 as costs.

The dispositive portion of the Decision reads:

WHEREFORE, with the MODIFICATION by deleting the award of attorney's fees in favor of plaintiff-appellee Manuel A. David, Sr. and the amount of P50,000.00 as costs, the Decision appealed from is AFFIRMED in all other respects, with costs against defendant-appellant Titan Construction Corporation.^[19]

Titan moved for reconsideration but the motion was denied on August 31, 2005.

Hence, this petition.

Issues

Titan raises the following assignment of errors:

- A. THE COURT OF APPEALS PATENTLY ERRED IN DECLARING THE SUBJECT DEED OF SALE NULL AND VOID AND FAILED TO APPLY TO THIS CASE THE PERTINENT LAW AND JURISPRUDENCE ON THE TORRENS SYSTEM OF LAND REGISTRATION.
- B. THE COURT OF APPEALS PATENTLY ERRED IN RULING THAT TITAN WAS NOT A BUYER IN GOOD FAITH CONTRARY TO THE STANDARDS APPLIED BY THIS HONORABLE COURT IN CASES INVOLVING SIMILAR FACTS.

- C. THE COURT OF APPEALS PATENTLY ERRED BY DISCARDING THE NATURE OF A NOTARIZED SPECIAL POWER OF ATTORNEY CONTRARY TO JURISPRUDENCE AND BY GIVING UNDUE WEIGHT TO THE ALLEGED EXPERT TESTIMONY VIS-À-VIS THE CONTESTED SIGNATURES AS THEY APPEAR TO THE NAKED EYE CONTRARY TO JURISPRUDENCE.
- D. THE COURT OF APPEALS PATENTLY ERRED BY FAILING TO DETECT BADGES OF CONNIVANCE BETWEEN RESPONDENTS.
- E. THE COURT OF APPEALS PATENTLY ERRED BY NOT RULING THAT ASSUMING THE SPA WAS NULL AND VOID, THE SAME IS IMMATERIAL SINCE THE RESPONDENTS SHOULD BE CONSIDERED ESTOPPED FROM DENYING THAT THE SUBJECT PROPERTY WAS SOLELY THAT OF RESPONDENT MARTHA S. DAVID.
- F. THE COURT OF APPEALS PATENTLY ERRED BY NOT RULING THAT ASSUMING THE SALE WAS VOID, ON GROUNDS OF EQUITY MARTHA S. DAVID SHOULD REIMBURSE PETITIONER OF HIS PAYMENT WITH LEGAL INTEREST.^[20]

Petitioner's Arguments

Titan is claiming that it was a buyer in good faith and for value, that the property was Martha's paraphernal property, that it properly relied on the SPA presented by Martha, and that the RTC erred in giving weight to the alleged expert testimony to the effect that Manuel's signature on the SPA was spurious. Titan also argues, ***for the first time***, that the CA should have ordered Martha to reimburse the purchase price paid by Titan.

Our Ruling

The petition is without merit.

The property is part of the spouses' conjugal partnership.

The Civil Code of the Philippines,^[21] the law in force at the time of the celebration of the marriage between Martha and Manuel in 1957, provides:

Article 160. All property of the marriage is presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband or to the wife.

Article 153 of the Civil Code also provides:

Article 153. The following are conjugal partnership property:

- (1) That which is acquired by onerous title during the marriage at the expense of the common fund, whether the acquisition be for the

partnership, or for only one of the spouses;

x x x x

These provisions were carried over to the Family Code. In particular, Article 117 thereof provides:

Art. 117. The following are conjugal partnership properties:

(1) Those acquired by onerous title during the marriage at the expense of the common fund, whether the acquisition be for the partnership, or for only one of the spouses;

x x x x

Article 116 of the Family Code is even more unequivocal in that "[a]ll property acquired during the marriage, **whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses**, is presumed to be conjugal unless the contrary is proved."

We are not persuaded by Titan's arguments that the property was Martha's exclusive property because Manuel failed to present before the RTC any proof of his income in 1970, hence he could not have had the financial capacity to contribute to the purchase of the property in 1970; and that Manuel admitted that it was Martha who concluded the original purchase of the property. In consonance with our ruling in *Spouses Castro v. Miat*,^[22] Manuel was not required to prove that the property was acquired with funds of the partnership. Rather, the presumption applies even when the manner in which the property was acquired does not appear.^[23] Here, we find that Titan failed to overturn the presumption that the property, purchased during the spouses' marriage, was part of the conjugal partnership.

In the absence of Manuel's consent, the Deed of Sale is void.

Since the property was undoubtedly part of the conjugal partnership, the sale to Titan required the consent of both spouses. Article 165 of the Civil Code expressly provides that "the husband is the administrator of the conjugal partnership". Likewise, Article 172 of the Civil Code ordains that "(t)he wife cannot bind the conjugal partnership without the husband's consent, except in cases provided by law".

Similarly, Article 124 of the Family Code requires that any disposition or encumbrance of conjugal property must have the written consent of the other spouse, otherwise, such disposition is void. Thus:

Art. 124. The administration and enjoyment of the conjugal partnership shall belong to both spouses jointly. In case of disagreement, the husband's decision shall prevail, subject to recourse to the court by the wife for proper remedy, which must be availed of within five years from the date of the contract implementing such decision.