

SECOND DIVISION

[G.R. No. 154609, April 24, 2009]

**MA. CORAZON SAN JUAN, PETITIONER, VS. CELESTE M. OFFRIL,
RESPONDENT.**

D E C I S I O N

TINGA, J.:

This is a petition for review of the Decision of the Court of Appeals dated 30 July 2002 in CA-G.R. No. 52597 entitled *Celeste M. Offril v. Maria Corazon San Juan*,^[1] which affirmed in *toto* the decision of the Regional Trial Court of Makati City, Branch 64 in Civil Case No. 92-3604.

The facts of the case follow.

Celeste M. Offril (Offril) used to be the registered owner of a 264 square meter lot in Makati City covered by Transfer Certificate (TCT) No. (114181) S-24948. On the lot is a five (5) door apartment leased to tenants, one of whom was Ma. Corazon San Juan (San Juan), who leased the first door. Sometime in 1990, San Juan convinced Offril, who was then trying to obtain a loan from her, to deliver to her the title to the property so that San Juan could present it to the bank to enable her to apply for a loan, the proceeds of which she would lend to Offril. It appears that without Offril's knowledge, two deeds of sale were executed, dated 2 April 1979 and 14 June 1979, respectively, allegedly between Offril and San Juan. By virtue of these deeds, San Juan caused the subdivision of the lot into six (6) sublots—Lots 20 A-F—and caused the issuance of separate titles to the said lots. Offril claimed that she neither sold the property to nor received any consideration from San Juan, as such; she claimed that the deeds are spurious, and the signatures appearing therein were forged. Additionally, she claimed that she learned of the cancellation of her title and existence of the new TCTs through her granddaughter, who was told by a personnel at the Assessor's Office of Makati City that Offril's tax declaration and title had been cancelled and that San Juan had already caused the cancellation of Offril's TCT and secured new ones. Thus, she prayed that the deeds of sale be declared null and void and the TCTs cancelled.^[2]

On the other hand, San Juan maintained that she acquired the property from Offril through valid sales, as evidenced by two deeds of sale of the unsegregated portion, and for which she paid in cash and by checks subsequently encashed by Offril's granddaughter Consuelo Gorostiza in the latter's capacity as attorney-in-fact.^[3]

In its 6 March 1996 decision,^[4] the trial court ruled that only Lots 20-A and Lot 20-B were sold to San Juan, and thus the TCTs of said lots are valid. According to the trial court, Offril had no serious objection against the deed of sale concerning Lot 20-A, and hence, she admitted the due execution of the said document, including the authenticity of the signatures appearing thereon. On the other hand, the basis

for considering Lot 20-B as having been sold to San Juan is a Deed of Partition executed between Offril and San Juan, which Offril herself submitted as part of her rebuttal evidence, and which was not objected to by San Juan. In the Deed of Partition, the parties agreed that Lot 20-A and Lot 20-B are to be adjudicated to San Juan. The trial court ruled that through the Deed of Partition, Offril had negated her claim that she never sold nor received consideration for the sale of her property to San Juan. On the part of San Juan, her participation in the execution of the deed negated her assertion that she acquired the entire property from Offril through a sale,^[5] the trial court added.

Anent the two deeds of sale presented by San Juan, the trial court ruled that the same have no probative value. The trial court found that in 1979 when these deeds were purportedly executed, San Juan was not yet a lessee of Offril's apartment. If San Juan had already acquired the property at that time, there would have been no reason for her to occupy the premises as a lessee, sign the lease contract with Offril in 1988, and subdivide the property in 1990. The trial court also pointed out that while the deeds of sale were executed in 1979, they were presented for registration only in 1990.^[6]

Finally, the trial court ruled that neither party is entitled to the claim for damages and recovery of costs of suit, since there was no clear showing who caused the execution of the two spurious deeds of sale. Suffice it to say that both parties appear to have brought upon themselves the damage that they allegedly suffered.^[7]

The dispositive portion of the decision of the trial court reads:

WHEREFORE, in view of the foregoing judgment is rendered:

1. declaring TCT No. 170403 and TCT NO. 170404 covering Lot No. 20-A and Lot No. 20-B respectively in the name of defendant Ma. Corazon San Juan, valid;
2. declaring as null and void the two (2) deeds denominated as "Deed of Sale of Unsegregated Portion" dated April 2, 1979 and June 14, 1979;
3. ordering the cancellation of TCT Nos. 170405, 170406, 170407, 170408 covering Lot Nos. 20-C, 20-D, 20-E and 20-F respectively, and in lieu thereof new titles be issued to plaintiff Celeste Offril; and
4. ordering the parties to shoulder their respective damages and costs.

SO ORDERED.^[8]

Initially, both parties appealed the decision to the Court of Appeals; however, Offril subsequently withdrew her appeal.^[9] San Juan submitted that the trial court erred when it (i) shifted the burden of proof to San Juan; (ii) when it overlooked the fact that the second and third deeds of sale were actually antedated; (iii) when it found that San Juan was in estoppel despite the fact that estoppel is not applicable against her; and (iv) when it erred in not dismissing the complaint *in toto* despite

the failure of Offril to discharge its burden of proof to overcome the validity of San Juan's TCTs.

The Court of Appeals denied the appeal. It ruled that there was no valid conveyance of all the disputed properties from Offril to San Juan, as Offril was able to discharge the burden of proving that there was fraud through forgery in the execution of the general power of authority and the deed of conveyance. The appellate court upheld the findings of the trial court as to Offril's credibility as a witness, and gave credence to the finding of validity of the Deed of Partition. Like the trial court, the Court of Appeals relied on the Deed of Partition, which was allegedly not objected to by San Juan. It concluded that had there been any intention by Offril to sell the property to San Juan, the intention should have been stated in categorical terms in the deed itself.^[10]

San Juan thus filed the instant petition for review, claiming that the Court of Appeals erred in finding that (i) there was no valid conveyance of all the disputed properties; (ii) the disputed properties were not sold by Offril to San Juan; and (iii) that San Juan is in estoppel based on the deed of partition which was presented by Offril as rebuttal evidence.^[11] In essence, San Juan's assignment of errors challenges the findings of fact and the appreciation of evidence made by the trial court and later affirmed by respondent court.

In urging us to reverse the courts *a quo*, San Juan insists that Offril failed to overcome the presumption of validity which attaches to the notarized deeds of sale. She points out that the trial court never found Offril's signatures in the deeds as forgeries, contrary to the Court of Appeals' statement that there was fraud through forgery in the execution of the questioned deeds, San Juan posits that Offril's testimony is unbelievable considering that Offril was already affected by Alzheimer's disease or loss of memory at the time she testified before the trial court, pointing out portions of the latter's testimony wherein it appears that she failed to recall the answers to the cross examination questions on personal matters and incidents related to the case.^[12] San Juan further argues that the best proof of ownership are the TCTs in her name, which enjoy a strong a presumption of being valid and having been regularly issued, a presumption which Offril once more failed to dispute.^[13] San Juan points out that the receipt of payments she presented is clear evidence showing that the disputed properties were sold to her by Offril.^[14]

Moreover, San Juan argues that the partition agreement is completely irrelevant to the issue of forgery of Offril's signature in the deeds of sale. She also points out that the second and third deeds of sale were antedated, a fact which was never disputed by Offril. In any case, the antedating of the deeds is immaterial because Offril's cause of action is based on the allegation that she never executed the documents in question, she continues.^[15]

Finally, San Juan claims that estoppel with regard to the Deed of Partition applies only to Offril and not to her, Offril being the party who used the said deed to support an assertion/ representation. According to her, the partition was only a safety precaution taken by both parties since payment for the remaining property, at the time of the partition, was still to be made in future installments. In fact, she was still making payments five months after the execution of the deed of partition, which