529 Phil. 876

SECOND DIVISION

[G.R. NO. 149576, August 08, 2006]

REPUBLIC OF THE PHILIPPINES REPRESENTED BY THE LAND REGISTRATION AUTHORITY, PETITIONER, VS. KENRICK DEVELOPMENT CORPORATION, RESPONDENT.

D E C I S I O N

CORONA, J.:

The Republic of the Philippines assails the May 31, 2001 decision[1] and August 20, 2001 resolution of the Court of Appeals in CA-G.R. SP No. 52948 in this petition for review under Rule 45 of the Rules of Court.

This case stemmed from the construction by respondent Kenrick Development Corporation of a concrete perimeter fence around some parcels of land located behind the Civil Aviation Training Center of the Air Transportation Office (ATO) in 1996. As a result, the ATO was dispossessed of some 30,228 square meters of prime land. Respondent justified its action with a claim of ownership over the property. It presented Transfer Certificate of Title (TCT) Nos. 135604, 135605 and 135606 issued in its name and which allegedly originated from TCT No. 17508 registered in the name of one Alfonso Concepcion.

ATO verified the authenticity of respondent's titles with the Land Registration Authority (LRA). On May 17, 1996, Atty. Jose Loriega, head of the Land Title Verification Task Force of the LRA, submitted his report. The Registrar of Deeds of Pasay City had no record of TCT No. 17508 and its ascendant title, TCT No. 5450. The land allegedly covered by respondent's titles was also found to be within Villamor Air Base (headquarters of the Philippine Air Force) in Pasay City.

By virtue of the report, the Office of the Solicitor General (OSG), on September 3, 1996, filed a complaint for revocation, annulment and cancellation of certificates of title in behalf of the Republic of the Philippines (as represented by the LRA) against respondent and Alfonso Concepcion. It was raffled to Branch 114 of the Regional Trial Court of Pasay City where it was docketed as Civil Case No. 96-1144.

On December 5, 1996, respondent filed its answer which was purportedly signed by Atty. Onofre Garlitos, Jr. as counsel for respondent.

Since Alfonso Concepcion could not be located and served with summons, the trial court ordered the issuance of an alias summons by publication against him on February 19, 1997.

The case was thereafter punctuated by various incidents relative to modes of discovery, pre-trial, postponements or continuances, motions to dismiss, motions to declare defendants in default and other procedural matters.

During the pendency of the case, the Senate Blue Ribbon Committee and Committee on Justice and Human Rights conducted a hearing in aid of legislation on the matter of land registration and titling. In particular, the legislative investigation looked into the issuance of fake titles and focused on how respondent was able to acquire TCT Nos. 135604, 135605 and 135606.

During the congressional hearing held on November 26, 1998, one of those summoned was Atty. Garlitos, respondent's former counsel. He testified that he prepared respondent's answer and transmitted an unsigned draft to respondent's president, Mr. Victor Ong. The signature appearing above his name was not his. He authorized no one to sign in his behalf either. And he did not know who finally signed it.

With Atty. Garlitos' revelation, the Republic promptly filed an urgent motion on December 3, 1998 to declare respondent in default,[2] predicated on its failure to file a valid answer. The Republic argued that, since the person who signed the answer was neither authorized by Atty. Garlitos nor even known to him, the answer was effectively an unsigned pleading. Pursuant to Section 3, Rule 7 of the Rules of Court,[3] it was a mere scrap of paper and produced no legal effect.

On February 19, 1999, the trial court issued a resolution granting the Republic's motion.[4] It found respondent's answer to be sham and false and intended to defeat the purpose of the rules. The trial court ordered the answer stricken from the records, declared respondent in default and allowed the Republic to present its evidence ex parte.

The Republic presented its evidence *ex parte*, after which it rested its case and formally offered its evidence.

Meanwhile, respondent sought reconsideration of the February 19, 1999 resolution but the trial court denied it.

Aggrieved, respondent elevated the matter to the Court of Appeals via a petition for certiorari[5] seeking to set aside the February 19, 1999 resolution of the trial court. Respondent contended that the trial court erred in declaring it in default for failure to file a valid and timely answer.

On May 31, 2001, the Court of Appeals rendered the assailed decision. It found Atty. Garlitos' statements in the legislative hearing to be unreliable since they were not subjected to cross-examination. The appellate court also scrutinized Atty. Garlitos' acts after the filing of the answer[6] and concluded that he assented to the signing of the answer by somebody in his stead. This supposedly cured whatever defect the answer may have had. Hence, the appellate court granted respondent's petition for certiorari. It directed the lifting of the order of default against respondent and ordered the trial court to proceed to trial with dispatch. The Republic moved for reconsideration but it was denied. Thus, this petition.

Did the Court of Appeals err in reversing the trial court's order which declared respondent in default for its failure to file a valid answer? Yes, it did.

A party may, by his words or conduct, voluntarily adopt or ratify another's statement.[7] Where it appears that a party clearly and unambiguously assented to or adopted the statements of another, evidence of those statements is admissible against him.[8] This is the essence of the principle of adoptive admission.

An adoptive admission is a party's reaction to a statement or action by another person when it is reasonable to treat the party's reaction as an admission of something stated or implied by the other person.[9] By adoptive admission, a third person's statement becomes the admission of the party embracing or espousing it. Adoptive admission may occur when a party:

(a) expressly agrees to or concurs in an oral statement made by another;[10]

(b) hears a statement and later on essentially repeats it;[11]

(c) utters an acceptance or builds upon the assertion of another;[12]

(d) replies by way of rebuttal to some specific points raised by another but ignores further points which he or she has heard the other make[13] or

(e) reads and signs a written statement made by another.[14]

Here, respondent accepted the pronouncements of Atty. Garlitos and built its case on them. At no instance did it ever deny or contradict its former counsel's statements. It went to great lengths to explain Atty. Garlitos' testimony as well as its implications, as follows:

1. While Atty. Garlitos denied signing the answer, the fact was that the answer was signed. Hence, the pleading could not be considered invalid for being an unsigned pleading. The fact that the person who signed it was neither known to Atty. Garlitos nor specifically authorized by him was immaterial. The important thing was that the answer bore a signature.

2. While the Rules of Court requires that a pleading must be signed by the party or his counsel, it does not prohibit a counsel from giving a general authority for any person to sign the answer for him which was what Atty. Garlitos did. The person who actually signed the pleading was of no moment as long as counsel knew that it would be signed by another. This was similar to addressing an authorization letter "to whom it may concern" such that any person could act on it even if he or she was not known beforehand.

3. Atty. Garlitos testified that he prepared the answer; he never disowned its contents and he resumed acting as counsel for respondent subsequent to its filing. These circumstances show that Atty. Garlitos conformed to or ratified the signing of the answer by another.

Respondent repeated these statements of Atty. Garlitos in its motion for reconsideration of the trial court's February 19, 1999 resolution. And again in the petition it filed in the Court of Appeals as well as in the comment[15] and memorandum it submitted to this Court.