

THIRD DIVISION

[G.R. No. 140707, April 22, 2003]

NORGENE POTENCIANO AND SPOUSES MANUEL JAYME AND NATIVIDAD ZAFRA-JAYME, PETITIONERS, VS. DWIGHT "IKE" B. REYNOSO, CARLOS B. REYNOSO, MA. LOURDES B. REYNOSO, FELIPE B. REYNOSO, CLAREBELO B. REYNOSO, VERONICA B. NEBRES AND THE COURT OF APPEALS, RESPONDENTS.

DECISION

PANGANIBAN, J.:

The basic issue in this case revolves around the authenticity of the signatures of the alleged vendor. Upholding the regional trial court, the Court of Appeals opted to give credence to the testimonies of the handwriting expert and other witnesses presented by private respondents, as against the testimony of the attorney who had notarized the Deeds of Sale. After due deliberation, this Court finds no cogent reason to reverse the two lower courts' finding of fact.

The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing the May 7, 1999 Decision^[1] and the October 20, 1999 Resolution^[2] of the Court of Appeals (CA) in CA-GR CV No. 39121. The decretal portion of the Decision reads as follows:

"WHEREFORE, [there being] no error in the decision appealed from, the same is AFFIRMED."^[3]

The assailed Resolution denied petitioners' Motion for Reconsideration.^[4]

The Facts

The facts of the case are summarized by the CA in this wise:

"Sometime in 1961, the late Felipe B. Pareja former Cebu City Treasurer was convicted of the crime of murder and sentenced to life imprisonment with the accessory penalties attendant thereto including civil interdiction. Felipe Pareja was granted a conditional pardon by then President Ferdinand E. Marcos on 2 August 1971. On 19 October 1979, Felipe Pareja executed a Deed of Absolute Sale covering a parcel of land and all improvements thereon situated at Juana Osmeña Ext., Capitol Site, Cebu City containing an area of four hundred ninety three (493) square meters in favor of his illegitimate son herein defendant-appellant Manuel Jayme who later claimed that the said sale was made to cover the payments he had made for the hospitalization expenses of his father, he having been constrained to borrow money from several people for the purpose. Before

Felipe Pareja died on August 6, 1981, he executed a Last Will and Testament dated June 24, 1976 wherein he bequeathed to herein appellees and appellant Manuel Jayme the lot in question while at the same time recognizing them as his illegitimate children. On 29 October 1979 or ten (10) days after the execution of the Deed of Absolute Sale in their favor by Felipe Pareja, spouses Manuel and Natividad Jayme executed a Deed of Absolute Sale covering the property in favor of defendant-appellant Norgene Potenciano who eventually filed an ejectment case against plaintiff-appellee Dwight Reynoso.

"[Plaintiff]-appellees Dwight 'Ike' B. Reynoso, Carlos B. Reynoso, Ma. Lourdes B. Reynoso, Felipe 'Harry' B. Reynoso filed the instant suit as likewise illegitimate children with another woman of the late Felipe B. Pareja while plaintiff-appellee Veronica B. Nebres aunt of the other plaintiffs, claims to be the owner of a residential house on the said property. The subject property is now covered by Transfer Certificate of Title No. 77221 in the name of defendant Norgene Potenciano after cancellation of the Transfer Certificates of Title in the name of the former registered owners Rosa and Milagros Cuenca, Felipe Pareja and finally Manuel Jayme before registration in the name of Potenciano. Plaintiffs assailed the sale made by their father contending that the latter was already senile and still suffering from the accessory penalty of civil interdiction at the time of the sale. They also raise the issue of forgery of their late father's signature on the Deed of Sale."^[5] (Citations omitted)

Ruling of the Court of Appeals

The CA affirmed the Decision of the Regional Trial Court (RTC), which ruled that the signatures of Felipe B. Pareja on the subject Deeds of Sale had been forged.^[6] Both courts gave more weight to the testimony of the expert witness, who had testified that the signatures were indeed forgeries as opposed to the testimony of the notary public who had notarized the questioned documents.

The RTC explained that the expert witness had examined the forgery scientifically; while the notary public, who was the counsel of Petitioner Norgene Potenciano, was an interested party.^[7] Consequently, the forged Deeds of Absolute Sale did not transfer any rights from Pareja to the Jayme spouses or from the spouses to Potenciano.^[8]

The CA also agreed with the RTC that Potenciano was a buyer in bad faith for not having sufficiently investigated the property at the time he bought it, when it was then in the possession of people other than the seller.^[9]

Accepted by the appellate court as sufficient proof of filiation was the will, in which respondents were recognized by their father, even if it had not yet been probated.^[10] Moreover, the CA ruled that petitioners were bound by a Joint Affidavit executed by Manuel Jayme and Dwight Reynoso declaring that, together with the other parties, they were recognized illegitimate children of Pareja.^[11]

Hence, this Petition.^[12]

The Issues

In their Memorandum,^[13] petitioners submit the following issues for our consideration:

"I. Whether or not the Honorable Court of Appeals gravely erred in concluding that the documents of sale are null and void ab initio. A sub-issue would be whether or not Felipe B. Pareja was still suffering from the accessory penalty of civil interdiction when he sold the lot and house to Petitioner-Spouses Jayme.

"II. Whether or not the Decision of the Honorable Court of Appeals is contrary to law and jurisprudence. It is contrary to Article 278 of the New Civil Code, and ignored the case of *Genato vs. Genato Commercial Corporation*, CA-G.R. No. 22374-R, April 20, 1960; 56 O.G. 6211, requiring proof to be submitted or offered to prove the due execution of a will.

"III. Whether or not the Decision of the Court of Appeals is contrary to Article 434 of the New Civil Code.

"IV. Whether or not the Honorable Court of Appeals gravely erred in ignoring the clear, direct and personal testimony of the notary public, Atty. Ronald Duterte, who categorically testified that Felipe Pareja signed the documents of sale in his presence and who ignored the well-settled jurisprudence that a notary public is presumed to have performed his duties according to law.

"V. Whether or not the Court of Appeals gravely erred in giving credence to the findings of Mr. Romeo Varona, alleged document expert, when his testimony and competence has been thoroughly impugned.

"VI. Whether or not the Court of Appeals gravely erred in concluding that Petitioner Norgene Potenciano is a buyer in bad faith.

"VII. Whether or not the Court of Appeals gravely erred in awarding damages to private respondents for the simple reason that private respondents miserably failed to prove their claims as alleged in their Complaint."^[14]

Simply stated, the issues to be resolved are as follows: (1) whether the sale of the subject property by Pareja to the Jayme spouses and, in turn, by the spouses to Potenciano was valid and binding; (2) whether Potenciano was a buyer in good faith; (3) whether private respondents have the personality to demand the reconveyance of the property in question; and (4) whether private respondents are entitled to damages.

The Court's Ruling

The Petition is unmeritorious.

First Issue:
Validity of the Deeds of Sale

Petitioners argue that the Deed of Sale dated October 19, 1979,^[15] between Pareja and the Jayme spouses; and that which was dated October 29, 1979,^[16] this time between the Jayme spouses and Potenciano, are both valid and enforceable. They contend that Pareja, being the absolute owner, had the right to dispose of the house and lot in question. They dispute the finding of forgery, claiming that the notary public is more credible than the expert witness. Further, at the time of the disposition, Pareja was supposedly no longer suffering the accessory penalty of civil interdiction, because he had already served the full term of his commuted sentence.

Forgery of Pareja's Signature
on the Deeds of Sale

The most crucial question to be resolved in this case is the authenticity of Pareja's alleged signature on the Deed of Sale transferring the subject property to the Jayme spouses. Once the validity of this transfer is established, then the succeeding one -- this time from the Jayme spouses to Potenciano, in which Pareja allegedly signed as a witness -- can also be evaluated.

Preliminarily, we should stress that the remedy of appeal by certiorari under Rule 45 of the Rules of Court contemplates only questions of law, not of fact.^[17] A question of law exists when there is doubt or controversy as to what the law is on a certain state of facts. On the other hand, there is a question of fact when the doubt or difference arises as to the truth or the falsity of the statement of facts.^[18]

It is not the function of this Court to analyze or weigh evidence all over again, unless there is a showing that the findings of the lower court are totally devoid of support or are glaringly erroneous as to constitute palpable error or grave abuse of discretion.^[19]

The theory of forgery advanced by petitioners involves a question of fact previously raised and satisfactorily ruled upon by the two lower courts. As a rule, the findings of fact of the CA, affirming those of the RTC, are final and conclusive. The Supreme Court cannot review those findings on appeal, especially when they are borne out by the records or are based on substantial evidence.^[20]

This application of this rule can be controverted only by the exceptions set forth in a long line of jurisprudence,^[21] none of which is available in the instant case. The CA competently ruled upon the issues raised by petitioners and laid down the proper legal as well as factual bases for its Decision. Petitioners have not given any cogent reason to question its findings that the signatures were forged.

Although Atty. Ronald Duterte, the notary public, testified to the genuineness of the signatures of Pareja on the questioned Deeds of Sale, both the trial and the appellate courts still ruled against petitioners. Generally, a notarized document carries the evidentiary weight conferred upon it with respect to its due execution. Thus, a document acknowledged before a notary public has in its favor the

presumption of regularity.^[22]

However, this presumption is not absolute and may be rebutted by clear and convincing evidence to the contrary.^[23] To show that the signatures of Pareja were forged on the questioned Deeds of Sale, petitioners presented Dwight Reynoso, who was familiar with his handwriting; and Romeo Varona, a handwriting expert of the National Bureau of Investigation.

Varona reported fundamental divergencies between the two sets of sample signatures as follows:

“Comparative examination and analysis of the questioned signatures marked ‘Q-1,’ ‘Q-2,’ ‘Q-3’ and the standard specimen signatures marked ‘S-1’ to ‘S-10’ inclusive reveal fundamental divergencies in letter formation, construction, skill and other individual handwriting characteristics.”^[24]

From these findings, he concluded that the “signatures of Felipe Pareja appearing on the Deed of Absolute Sale marked ‘Q-1,’ ‘Q-2’ and Q-3 were forged.”^[25]

However, we are not unmindful of the rule that a finding of forgery does not depend entirely on the testimonies of handwriting experts; the judge is still required to conduct an independent examination of the questioned signature.^[26] The CA did exactly this. It conducted its own independent examination of the signatures and concluded that the striking differences between the questioned signatures and those admitted as genuine were readily noticeable upon inspection.^[27]

On the other hand, Atty. Duterte testified that Pareja had personally appeared before him and signed the two instruments himself. The former made these categorical statements on the signature of the latter, both as the vendor in the October 19, 1979 Deed and as a witness in that which was dated October 29, 1979.

However, Atty. Duterte’s testimony as to the latter Deed of Sale was completely belied by the other witnesses, who testified that Pareja had signed as a witness in the latter’s own residence and not in the presence of the notary public. Petitioner Potenciano himself admitted that Pareja -- being already sickly at the time -- had signed in the latter’s own house and not in the presence of Notary Public Duterte.^[28]

Equally telling is the doubt expressed by the RTC on the notary public’s motives:

“x x x. However, the Court is inclined to give more weight [to] the testimony of the expert witness, not only because the latter explained the forgery scientifically but also for the reason that the notary public who notarized the questioned documents was the former counsel of defendant Potenciano.”^[29]

Thus, considering the testimonies of the various witnesses and a plain comparison of the questioned signatures with admittedly genuine ones, the Court finds no reason to reverse the findings of the two lower courts. Although the Deeds of Sale were public documents having in their favor the presumption of regularity, such presumption was adequately refuted by competent witnesses and the appellate