



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

AMADA COTONER-ZACARIAS,  
Petitioner,

G.R. No. 190901

Present:

CARPIO, J., Chairperson,  
BRION,  
DEL CASTILLO,  
MENDOZA, and  
LEONEN, JJ.

-versus-

SPOUSES ALFREDO REVILLA  
AND THE HEIRS OF PAZ  
REVILLA,

Respondents.

Promulgated:

NOV 12 2014 *Alfredo Cotoner-Zacarias*

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DECISION

LEONEN, J.:

Well-settled is the rule that “conveyances by virtue of a forged signature. . . are void *ab initio* [as] [t]he absence of the essential [requisites] of consent and cause or consideration in these cases rendered the contract inexistent[.]”<sup>1</sup>

<sup>1</sup> *Manzano, Jr. v. Garcia*, G.R. No. 179323, November 28, 2011, 661 SCRA 350, 362 [Per J. Leonardo-De Castro, First Division]. See also *Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba*, 456 Phil. 569, 578–579 (2003) [Per J. Ynares-Santiago, First Division], citing *Salomon v. Intermediate Appellate Court*, 263 Phil. 1068, 1081–1082 (1990) [Per J. Medialdea, First Division]; *Vda. de Portugal v. Intermediate Appellate Court*, 242 Phil. 709, 716 (1988) [Per J. Sarmiento, Second Division]; *Garanciang v. Garanciang*, 138 Phil. 237, 239 (1969) [Per J. Makalintal, En Banc]; *Lacsamana v. Court of Appeals*, 351 Phil. 526, 533–534 (1998) [Per J. Bellosillo, First Division].

Before us is a petition for review<sup>2</sup> filed by Amada Cotoner-Zacarias against respondent spouses Alfredo Revilla and Paz Castillo-Revilla, praying that this court render a decision “reversing the Decision of the Regional Trial Court and Court of Appeals and declaring the transfer of title to the Petitioner and then to her successors-in-interest as valid and binding as against the respondents.”<sup>3</sup>

The Court of Appeals summarized the facts as follows.

Alfredo Revilla and Paz Castillo-Revilla (Revilla spouses) are the owners in fee simple of a 15,000-square-meter unregistered parcel of land in Silang, Cavite, covered by Tax Declaration No. 7971.<sup>4</sup>

In 1983, the Revilla spouses faced financial difficulties in raising funds for Alfredo Revilla’s travel to Saudi Arabia, so Paz Castillo-Revilla borrowed money from Amada Cotoner-Zacarias (Amada). By way of security, the parties verbally agreed that Amada would take physical possession of the property, cultivate it, then use the earnings from the cultivation to pay the loan and realty taxes.<sup>5</sup> Upon full payment of the loan, Amada would return the property to the Revilla spouses.<sup>6</sup>

Unknown to the Revilla spouses, Amada presented a fictitious document entitled “Kasulatan ng Bilihan ng Lupa” before the Provincial Assessor of Cavite. This document was executed on March 19, 1979 with the Revilla spouses as sellers and Amada as buyer of the property.<sup>7</sup>

Consequently, Tax Declaration No. 7971 in the name of the Revilla spouses was cancelled, and Tax Declaration No. 19773 in the name of Amada was issued.

On August 25, 1984, Amada sold the property to the spouses Adolfo and Elvira Casorla (Casorla spouses) by “Deed of Absolute Sale-Unregistered Land.” Tax Declaration No. 30411-A was later issued in the name of the Casorla spouses.<sup>8</sup>

In turn, the Casorla spouses executed a deed of absolute sale dated December 16, 1991 in favor of the spouses Rodolfo and Yolanda Sun (Sun spouses). Tax Declaration Nos. 30852-A and 18584 were issued in favor of

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<sup>2</sup> *Rollo*, pp. 10–38. The petition is filed pursuant to Rule 45 of the Rules of Court.

<sup>3</sup> *Id.* at 37–38.

<sup>4</sup> *Id.* at 44, *citing* record, p. 7.

<sup>5</sup> *Id.* at 45.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

the Sun spouses.<sup>9</sup>

In December 1994, Alfredo Revilla returned from Saudi Arabia. He asked Amada why she had not returned their tax declaration considering their full payment of the loan. He then discovered that the property's tax declaration was already in the name of the Sun spouses.<sup>10</sup>

On February 15, 1995, the Revilla spouses were served a copy of the answer<sup>11</sup> in the land registration case filed by the Sun spouses for the property.<sup>12</sup> The Revilla spouses then saw a copy of the “Kasulatan ng Bilihan ng Lupa” and noticed that their signatures as sellers were forged.<sup>13</sup>

They then demanded the cancellation of the “Kasulatan ng Bilihan ng Lupa” from Amada and all subsequent transfers of the property, its reconveyance, and the restoration of its tax declaration in their name.<sup>14</sup> Amada failed to take action.

On November 17, 1995, the Revilla spouses filed a complaint before the Tagaytay Regional Trial Court for the annulment of sales and transfers of title and reconveyance of the property with damages against Amada, the Casorla spouses, the Sun spouses, and the Provincial Assessor of Cavite.<sup>15</sup>

In her answer, Amada denied that the property was used as a security for the Revilla spouses' loan.<sup>16</sup> Instead, she claimed that the Revilla spouses voluntarily executed the “Kasulatan ng Bilihan ng Lupa” in her favor on March 19, 1979. She added that the Revilla spouses' cause of action already prescribed.<sup>17</sup>

For their part, the Sun spouses argued good faith belief that Amada was the real owner of the property as Amada showed them a tax declaration in her name and the “Kasulatan ng Bilihan ng Lupa” allegedly executed by the Revilla spouses.<sup>18</sup> When the Sun spouses discovered there was another sale with the Casorla spouses, they were assured by Amada that she had already bought back the property from the Casorla spouses.<sup>19</sup> Subsequently, the Casorla spouses executed a deed of absolute sale dated December 16,

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<sup>9</sup> Id.

<sup>10</sup> Id. at 46.

<sup>11</sup> Id. at 46 and 83.

<sup>12</sup> Id. at 46, 162, and 169.

<sup>13</sup> Id. at 46.

<sup>14</sup> Id.

<sup>15</sup> Id. at 46 and 177.

<sup>16</sup> Id. at 46–47.

<sup>17</sup> Id.

<sup>18</sup> Id. at 47.

<sup>19</sup> Id.

1991 in favor of the Sun spouses.<sup>20</sup> They also argued prescription against the Revilla spouses, and prayed for damages against Amada by way of cross-claim.<sup>21</sup>

On August 3, 2006, the Regional Trial Court<sup>22</sup> found the “Kasulatan ng Bilihan ng Lupa” to be a fictitious document, and ruled in favor of the Revilla spouses:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Declaring the sales/transfers from Tax Declaration No. 7971, s. 1980 to Tax Declaration No. 18584, s. 1994 as NULL and VOID, without valid transmission of title and interest from the original owners, plaintiffs herein and consequently, entitling plaintiffs to reinstatement and reconveyance of their title/tax declaration as well as possession of the subject property;
2. Ordering defendant Zacarias to pay the following:
  - 2.1 To the Plaintiffs:
    - a. ☐ 50,000.00 for moral damages;
    - b. ☐ 20,000.00 for exemplary damages; and
    - c. ☐ 80,000.00 for attorney’s fees.
  - 2.2 To Defendant-Spouses Sun:
    - a. ☐ 467,350.00 for actual damages;
    - b. ☐ 50,000.00 for moral damages;
    - c. ☐ 20,000.00 for exemplary damages; and
    - d. ☐ 100,000.00 for attorney’s fees.

SO ORDERED.<sup>23</sup>

Amada appealed the trial court’s decision, while the Sun spouses partially appealed the decision as to interest and damages.

On August 13, 2009, the Court of Appeals<sup>24</sup> dismissed the appeal of Amada, and partially granted the appeal of the Sun spouses. The dispositive portion reads:

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<sup>20</sup> Id.

<sup>21</sup> Id.

<sup>22</sup> Id. at 161–173, RTC decision. This case, docketed as Civil Case No. TG-1543, was tried at Branch 18, Regional Trial Court, Tagaytay City, with the decision being penned by Presiding Judge Edwin G. Larida, Jr.

<sup>23</sup> Id. at 173.

<sup>24</sup> Id. at 174–190, CA decision. The decision, docketed as CA-G.R. CV No. 88600, was penned by Associate Justice Isaias Dicedican and concurred in by Associate Justices Bienvenido L. Reyes and Marlene Gonzales-Sison of the Seventh (7<sup>th</sup>) Division.

**WHEREFORE**, in view of the foregoing premises, judgment is hereby rendered by us **DISMISSING** the appeal filed by defendant-appellant Amada C. Zacarias in this case, and **PARTIALLY GRANTING** the appeal filed by the Spouses Rodolfo and Yolanda Sun. The Decision dated August 3, 2006 rendered by Branch 18 of the Regional Trial Court of the Fourth Judicial Region stationed in Tagaytay City, Cavite in Civil Case No. TG-1543 is **MODIFIED** in that defendant-appellant Amada C. Zacarias is ordered to pay interest at 6% per annum on the principal obligation in the amount of ₱467,350.00 from February 3, 1995, the date of the first judicial demand by the Spouses Sun, until said decision on the principal obligation became final and executory, and interest at 12% per annum on the principal obligation, moral and exemplary damages, as well as attorney's fees, from the time said decision became final and executory until full payment of said amounts.

**SO ORDERED.**<sup>25</sup>

The Court of Appeals denied Amada's motion for reconsideration; hence, she filed this petition.

Petitioner argues that the antichresis claim of the Revilla spouses was not reduced into writing, thus, it is void under Article 2134 of the Civil Code.<sup>26</sup> She submits that the allegation of antichresis was only an excuse by the Revilla spouses for their failure to impugn possession of the property by Amada and her successors-in-interest for over 16 years.<sup>27</sup>

Petitioner contends that the sale in her favor was established by the "Kasulatan ng Bilihan ng Lupa," the delivery of the tax declaration, and the testimony of one Mrs. Rosita Castillo (Rosita).<sup>28</sup> Rosita was the second wife of Felimon Castillo, the previous owner of the property. She testified that respondent Paz Castillo-Revilla admitted to her father, Felimon, that she and Alfredo Revilla sold the property to Amada.<sup>29</sup>

On the alleged forgery, petitioner submits that the court misapplied the principle that "he who alleges not he who denies must prove" when it stated that she had the burden of proving the due execution of the deed of absolute sale. Since the Revilla spouses alleged that the deed was a forged document, they had the burden of proving the forgery.<sup>30</sup> She then cites the trial court in that "[a]ccordingly, the National Bureau of Investigation was not able to ascertain the genuineness of the signature of plaintiff Paz Revilla because of lack of sufficient sample signatures. . . ."<sup>31</sup>

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<sup>25</sup> Id. at 189.

<sup>26</sup> Id. at 131. Article 2134 of the Civil Code provides that "[t]he amount of the principal and of the interest shall be specified in writing; otherwise, the contract of antichresis shall be void."

<sup>27</sup> Id.

<sup>28</sup> Id. at 131 and 133.

<sup>29</sup> Id. at 132.

<sup>30</sup> Id. at 134.

<sup>31</sup> Id. at 134, *citing* RTC decision, p. 6.

On the prescription argument, the parties live in a very small barangay. While Alfredo Revilla worked in Saudi Arabia, he admitted returning to the Philippines twice a year, while his wife never left Silang, Cavite,<sup>32</sup> and yet the Revilla spouses never questioned the activities on the property for more than 16 years.<sup>33</sup>

On the proper docket fees, petitioner contends that the Revilla spouses paid docket fees based on their prayer for actual damages of ₱50,000.00, moral damages of ₱50,000.00, and attorney's fee of ₱80,000.00, when they should have based it on ₱12,000,000.00, the value of the property they alleged in their supplemental pre-trial brief.<sup>34</sup>

Lastly, petitioner argues that the property is conjugal in nature, but the court never declared that respondent Paz Castillo-Revilla's signature was falsified. Thus, the sale over her half of the property cannot be declared void.<sup>35</sup> She adds that the Sun spouses are buyers in good faith for value, making reinstatement of the property impossible.<sup>36</sup>

Respondents Revilla spouses counter that the factual issue of whether the "Kasulatan ng Bilihan ng Lupa" is a falsified document was already conclusively resolved by the lower courts and, generally, factual findings are beyond this court's power of review.<sup>37</sup>

On the prescription issue, respondents Revilla spouses argue that an action or defense to declare a document null is imprescriptible.<sup>38</sup> Laches also does not apply since they immediately questioned the fraudulent transfers by filing a complaint in November 1995 upon learning of the questionable documents in February 1995, after Alfredo had returned from Saudi Arabia in December 1994.<sup>39</sup>

Respondents Revilla spouses contend that they paid the proper docket fees. The ₱12,000,000.00 mentioned during pre-trial that petitioner insists should have been the basis of the fees was neither stated in the complaint nor awarded by the court.<sup>40</sup>

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<sup>32</sup> Id. at 136.

<sup>33</sup> Id. at 137, citing *Far East Bank and Trust Company v. Spouses Cayetano*, G.R. No. 179909, January 25, 2010, 611 SCRA 96 [Per J. Villarama, Jr., First Division].

<sup>34</sup> Id. at 139.

<sup>35</sup> Id. at 140.

<sup>36</sup> Id. at 141, citing *Tiro v. Philippine Estates Corporation*, 585 Phil. 306 (2008) [Per J. Chico-Nazario, Third Division].

<sup>37</sup> Id. at 150, citing *Tongoy v. Court of Appeals*, 208 Phil. 95 (1983) [Per J. Makasiar, Second Division].

<sup>38</sup> Id. at 152.

<sup>39</sup> Id. at 153.

<sup>40</sup> Id. at 154, citing *Union Bank of the Philippines v. Court of Appeals*, 352 Phil. 808 (1998) [Per J. Romero, Third Division] and *Siapno v. Manalo*, 505 Phil. 430 (2005) [Per J. Garcia, Third Division].

Respondents Revilla spouses argue that the court did not err in ordering reinstatement of the property to them. First, the defense that the Sun spouses were buyers in good faith is a personal defense that cannot be raised by petitioner who was not privy to the sale between the Casorla spouses and the Sun spouses.<sup>41</sup> Second, an alternative prayer for damages cannot be interpreted as an admission that the relief for reinstatement is not viable.<sup>42</sup> Third, the transaction happened prior to the effectivity of the Family Code; thus, Article 172 of the Civil Code applies such that “[t]he wife cannot bind the conjugal partnership without the husband’s consent, except in cases provided by law.”<sup>43</sup> Consequently, the result is the same even if respondent Paz Castillo-Revilla did not testify that the signature is not hers, as she cannot bind the entire property without her husband’s consent.<sup>44</sup> Lastly, no unjust enrichment exists since they were deprived of their property for so long.<sup>45</sup>

The issues for this court’s resolution are as follows:

First, whether respondents Revilla spouses’ cause of action is barred by prescription or laches;

Second, whether the trial court acquired jurisdiction when respondents Revilla spouses paid filing fees based on the ₱50,000.00 claim for damages in the complaint but stated in their supplemental pre-trial brief that the property is valued at ₱12,000,000.00; and

Third, whether the Court of Appeals erred in upholding the reinstatement and reconveyance of the property in favor of respondents Revilla spouses.

## I.

On the first issue, petitioner argues that respondents Revilla spouses’ claim is barred by laches since they allowed 16 years to lapse, with petitioner having possession of the property, before filing suit.<sup>46</sup>

Laches has been defined as “the failure or neglect, for an unreasonable and unexplained length of time, to do that which — by the exercise of due

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<sup>41</sup> Id. at 156.

<sup>42</sup> Id.

<sup>43</sup> Id. at 157.

<sup>44</sup> Id., citing *Bucoy v. Paulino*, 131 Phil. 790 (1968) [Per J. Sanchez, En Banc].

<sup>45</sup> Id.

<sup>46</sup> Id. at 135.

diligence — could or should have been done earlier.”<sup>47</sup>

The elements that need to be present and proven before an action is considered barred by laches are the following:

The four basic elements of *laches* are: (1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which complaint is made and for which the complaint seeks a remedy; (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendant's conduct and having been afforded an opportunity to institute suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right on which he bases his suit; and, (4) injury or prejudice to the defendant in the event relief is accorded to the complainant or the suit is not held to be barred.<sup>48</sup>

There was no delay by respondents Revilla spouses in asserting their rights over the property. The lower courts found that respondents Revilla spouses first learned of the existence of the “Kasulatan ng Bilihan ng Lupa” in February 1995 when they were served a copy of the pleading in the land registration case instituted by the Sun spouses.<sup>49</sup> They filed their complaint within the same year, specifically, on November 17, 1995. The lapse of only nine (9) months from the time they learned of the questionable transfers on the property cannot be considered as sleeping on their rights.

In any case, doctrines of equity such as laches apply only in the absence of statutory law. The Civil Code clearly provides that “[t]he action or defense for the declaration of the inexistence of a contract does not prescribe.”<sup>50</sup> This court has discussed:

*Laches* is a doctrine in equity and our courts are basically courts of law and not courts of equity. Equity, which has been aptly described as "justice outside legality," should be applied only in the absence of, and never against, statutory law. *Aequetas nunquam contravenit legis*. The positive mandate of Art. 1410 of the New Civil Code conferring imprescriptibility to actions for declaration of the inexistence of a contract should pre-empt and prevail over all abstract arguments based only on equity. Certainly, *laches* cannot be set up to resist the enforcement of an imprescriptible legal right, and petitioners can validly vindicate

<sup>47</sup> *Department of Education, Division of Albay v. Oñate*, 551 Phil. 633, 648–649 (2007) [Per J. Velasco, Jr., Second Division], citing *Soliva v. The Intestate Estate of Marcelo M. Villalba*, 462 Phil. 761, 773 (2003) [Per J. Panganiban, First Division], which in turn cited *Ramos v. Heirs of Ramos, Sr.*, 431 Phil. 337, 350 (2002) [Per J. Panganiban, Third Division]; *Westmont Bank v. Ong*, 425 Phil. 834, 846 (2002) [Per J. Quisumbing, Second Division].

<sup>48</sup> *Heirs of Dumaliang v. Serban*, 545 Phil. 243, 251 (2007) [Per J. Austria-Martinez, Third Division], citing *Felix Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba*, 456 Phil. 569, 579 (2003) [Per J. Ynares-Santiago, First Division] and *Biala v. Court of Appeals and Maria P. Lee*, G.R. No. 43503, October 31, 1990, 191 SCRA 50, 56 [Per J. Medialdea, First Division].

<sup>49</sup> *Rollo*, pp. 169 and 184.

<sup>50</sup> CIVIL CODE, art. 1410.



their inheritance despite the lapse of time.<sup>51</sup>

## II.

On the second issue, petitioner argues that respondents Revilla spouses did not pay the correct docket fees. She submits that docket fees paid were based on the prayer for actual damages of ₱50,000.00, moral damages of ₱50,000.00, and attorney's fee of ₱80,000.00, when the spouses Revilla should have based it on ₱12,000,000.00, the value of the property they alleged in their supplemental pre-trial brief.<sup>52</sup> Petitioner cites Supreme Court Circular No. 7 and jurisprudence holding that the payment of proper docket fees is crucial in vesting courts with jurisdiction over the subject matter.<sup>53</sup>

This court finds that respondents Revilla spouses paid the proper docket fees, thus, the trial court acquired jurisdiction.

It is true that “[i]t is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject matter or nature of the action.”<sup>54</sup>

In *Manchester Development Corporation v. Court of Appeals*,<sup>55</sup> this court “condemned the practice of counsel who in filing the original complaint omitted from the prayer any specification of the amount of damages although the amount of over ₱78 million is alleged in the body of the complaint.”<sup>56</sup> The court gave the following warning against this unethical practice that serves no other purpose than to avoid paying the correct filing fees:

The Court serves warning that it will take drastic action upon a repetition of this unethical practice.

To put a stop to this irregularity, henceforth *all complaints, petitions, answers and other similar pleadings should specify the amount of damages being prayed for not only in the body of the pleading but also in the prayer, and said damages shall be considered in the assessment of the filing fees in any case.* Any pleading that fails to comply with this requirement shall not be accepted nor admitted, or shall otherwise be

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<sup>51</sup> *Heirs of Ingjug-Tiro v. Spouses Casals*, 415 Phil. 665, 673–674 (2001) [Per J. Bellosillo, Second Division].

<sup>52</sup> *Rollo*, p. 139.

<sup>53</sup> *Id.* at 140.

<sup>54</sup> *Ungria v. Court of Appeals*, G.R. No. 165777, July 25, 2011, 654 SCRA 314, 325 [Per J. Peralta, Third Division], citing *Pantranco North Express, Inc. v. Court of Appeals*, G.R. No. 105180, July 5, 1993, 224 SCRA 477, 478 [Per J. Davide, Jr., Third Division].

<sup>55</sup> 233 Phil. 579 (1987) [Per J. Gancayco, En Banc].

<sup>56</sup> Supreme Court Circular No. 7 (1988).

expunged from the record.

The Court acquires jurisdiction over any case only upon the payment of the prescribed docket fee. An amendment of the complaint or similar pleading will not thereby vest jurisdiction in the Court, much less the payment of the docket fee based on the amounts sought in the amended pleading. The ruling in the Magaspi case in so far as it is inconsistent with this pronouncement is overturned and reversed.<sup>57</sup> (Emphasis supplied)

This ruling was circularized through Supreme Court Circular No. 7<sup>58</sup> addressed to all lower court judges and the Integrated Bar of the Philippines for dissemination to and guidance for all its members.

The facts of this case differ from *Manchester* and similar situations envisioned under the circular. The complaint filed by respondents Revilla spouses included in its prayer the amount of ₱50,000.00 as actual damages, without mention of any other amount in the body of the complaint. No amended complaint was filed to increase this amount in the prayer. Thus, the Court of Appeals found as follows:

In the case at bench, the complaint filed by the Spouses Revilla only asked for actual damages in the amount of ₱50,000.00. While the Spouses Revilla mentioned the amount of ₱12,000,000.00 as actual damages in the pre-trial, said amount was not stated in the complaint and neither was it awarded by the lower court in its judgment. Hence, said amount was not even considered by the court *a quo* when it awarded damages in favor of the Spouses Revilla. Considering that the complaint was not formally amended by the spouses to increase the amount of actual damages being sought, ***the trial court was not stripped of its jurisdiction to try the case since the Spouses Revilla correctly paid the docket fees based merely on what was prayed for in the complaint.*** Indeed, the mere mentioning by the Spouses Revilla of the amount of ₱12,000,000.00 during the pre-trial is inconsequential, as the trial court properly acquired jurisdiction over the action when the Spouses Revilla filed the complaint and paid the requisite filing fees based on the amount as prayed for in the complaint.<sup>59</sup> (Emphasis supplied)

In *Padlan v. Dinglasan*,<sup>60</sup> this court reiterated that “[w]hat determines the jurisdiction of the court is the nature of the action pleaded as appearing from the allegations in the complaint [and] [t]he averments therein and the character of the relief sought are the ones to be consulted.”<sup>61</sup>

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<sup>57</sup> *Manchester Development Corporation v. Court of Appeals*, 233 Phil. 579, 585 (1987) [Per J. Gancayco, En Banc].

<sup>58</sup> This was issued on March 24, 1988.

<sup>59</sup> *Rollo*, p. 51.

<sup>60</sup> G.R. No. 180321, March 20, 2013, 694 SCRA 91 [Per J. Peralta, Third Division].

<sup>61</sup> *Id.* at 99. *See also Unilongo v. Court of Appeals*, 365 Phil. 105, 114–115 (1999) [Per J. Kapunan, En Banc]; *Ermita v. Aldecoa-Delorino*, G.R. No. 177130, June 7, 2011, 651 SCRA 128, 137 [Per J. Carpio Morales, En Banc], *citing Fernando v. Spouses Lim*, 585 Phil. 141 (2008) [Per J. Austria-Martinez, Third Division].

Petitioner attached copies of the tax declarations and deeds of sale over the property to the petition. Tax Declaration No. 7971 in the name of respondents Revilla spouses provides that the land had a market value of ₱13,500.00, while the mango trees had a market value of ₱3,500.00.<sup>62</sup> Petitioner alleged in her petition that respondents Revilla spouses offered to sell the property to her for ₱50,000.00,<sup>63</sup> while the trial court found that the “Kasulatan ng Bilihan ng Lupa” reflected the amount of ₱20,000.00.<sup>64</sup> Subsequent tax declarations in the name of petitioner, the Casorla spouses, and the Sun spouses all provided for land market values lower than ₱50,000.00.<sup>65</sup> The deed of sale in favor of the Casorla spouses states that the assessed value of the property was ₱1,400.00, and the consideration for the sale was ₱50,000.00.<sup>66</sup> The subsequent deed of sale in favor of the Sun spouses provides for the same amount as consideration.<sup>67</sup>

None of these documents submitted by petitioner indicate an amount in excess of the ₱50,000.00 prayed for by respondents Revilla spouses as actual damages in their complaint. Thus, the basis for the ₱12,000,000.00 value raised during pre-trial is unclear. Based on the complaint, respondents Revilla spouses paid the correct docket fees computed from the amounts in their prayer.

### III.

The third issue involves the reinstatement of respondents Revilla spouses in the property and reconveyance of its tax declaration in their favor.

Petitioner argues that antichresis is a formal contract that must be in writing in order to be valid.<sup>68</sup> Respondents Revilla spouses were not able to prove the existence of the alleged antichresis contract. On the other hand, the sale of the property to petitioner was established by the “Kasulatan ng Bilihan ng Lupa” and the testimony of Rosita Castillo, the second wife of the previous owner, Felimon Castillo.<sup>69</sup>

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<sup>62</sup> *Rollo*, p. 60.

<sup>63</sup> *Id.* at 20.

<sup>64</sup> *Id.* at 167.

<sup>65</sup> Tax Declaration No. 19773 in the name of Amada provides that the land had a market value of ₱13,500.00, while the mango trees had a market value of ₱1,050.00. (*rollo*, p. 62). Tax Declaration No. 38 in the name of Amada provides that the land had a market value of ₱26,550.00, while the mango trees had a market value of ₱1,500.00. (*rollo*, p. 63). Tax Declaration No. 30411-A in the name of the Casorla spouses provides that the land had a market value of ₱20,692.50. (*rollo*, p. 66). Tax declarations in the name of the Sun spouses provide that the land had a market value of ₱41,652.00, then ₱20,692.50, then ₱20,692.50. (*rollo*, pp. 69–71).

<sup>66</sup> *Rollo*, p. 64.

<sup>67</sup> *Id.* at 67.

<sup>68</sup> *Id.* at 131.

<sup>69</sup> *Id.*

We affirm the lower courts' order of reinstatement and reconveyance of the property in favor of respondents Revilla spouses.

Respondents Revilla spouses' complaint sought "to annul the sales and transfers of title emanating from Tax Declaration No. 7971 registered in their name involving a 15,000-square[-]meter unregistered land . . . with prayer for reconveyance and claims for damages."<sup>70</sup> There was no prayer to declare the purported contract of sale as antichresis.<sup>71</sup> Thus, respondents Revilla spouses neither discussed nor used the term "antichresis" in their comment and memorandum before this court. They focused on the nature of their complaint as one for annulment of titles on the ground of forgery.<sup>72</sup> At most, the trial court's summary of respondents Revilla spouses' evidence described the parties' agreements as follows:

Plaintiffs' evidence and the testimony of plaintiff Alfredo Revilla tend to indicate that plaintiffs are the owners in fee simple of a 15,000-square[-]meter unregistered land, located at Brgy. Adlas, Silang, Cavite. Their ownership being evidenced by Tax Declaration No. 7971, s. 1980 (Exh. "A"). Sometime in 1981, plaintiffs needed money for the travel and deployment of plaintiff Alfredo to Saudi Arabia. Plaintiff Paz Revilla sought financial help from defendant Cotoner-Zacarias from whom she was able to *obtain a loan but secured with and by way of mortgage of the subject property*. The parties further agreed that defendant *Cotoner-Zacarias would take possession of the subject property and cultivate it with the earnings therefrom to be used to pay-off the loan and the annual realty taxes on the land*. It was their agreement with defendant Cotoner-Zacarias that the latter *will rent the subject property* and with that agreement, the lease started sometime in 1981 and plaintiffs got from defendant Cotoner-Zacarias the amount of Php3,000.00 as rental for the first year, 1981, with no specific agreement as to the period covered by such rental[.]<sup>73</sup> (Emphasis supplied)

Article 2132 of the Civil Code provides that "[b]y the contract of antichresis the creditor acquires the right to receive the fruits of an immovable of his debtor, with the obligation to apply them to the payment of the interest, if owing, and thereafter to the principal of his credit."

Thus, antichresis involves an express agreement between parties such that the creditor will have possession of the debtor's real property given as security, and such creditor will apply the fruits of the property to the interest owed by the debtor, if any, then to the principal amount.<sup>74</sup>

The term, antichresis, has a Greek origin with "'anti' (against) and

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<sup>70</sup> Id. at 161.

<sup>71</sup> See *Bangis v. Heirs of Adolfo*, G.R. No. 190875, June 13, 2012, 672 SCRA 468, 472 [Per J. Perlas-Bernabe, Third Division].

<sup>72</sup> *Rollo*, p. 146.

<sup>73</sup> Id. at 161–162.

<sup>74</sup> *Diego v. Fernando*, 109 Phil. 143, 145 (1960) [Per J. J. B. L. Reyes].

‘chresis’ (use) denoting the action of giving a credit ‘against’ the ‘use’ of a property.”<sup>75</sup>

Historically, 15<sup>th</sup> century B.C. tablets revealed that “antichresis contracts were commonly employed in the Sumerian and Akkadian Mesopotamian cultures.”<sup>76</sup> Antichresis contracts were incorporated in Babylonian law, modifying and combining it with that of mortgage pledge.<sup>77</sup> Nearing the end of the classical period, antichresis contracts entered Roman law that “adopted the convention that the tenant usufruct had to be exactly compensated by the interest on the lump sum payment.”<sup>78</sup> During the middle ages, canon law banned antichresis contracts for being a form of usury.<sup>79</sup> These contracts only reappeared in the 1804 Napoleonic Code that influenced the laws of most countries today.<sup>80</sup> It had been observed that “antichresis contracts coexist with periodic rent contracts in many property markets.”<sup>81</sup>

In the Civil Code, antichresis provisions may be found under Title XVI, together with other security contracts such as pledge and mortgage.

Antichresis requires delivery of the property to the antichretic creditor, but the latter cannot ordinarily acquire this immovable property in his or her possession by prescription.<sup>82</sup>

Similar to the prohibition against *pactum commissorium*<sup>83</sup> since creditors cannot “appropriate the things given by way of pledge or mortgage, or dispose of them,”<sup>84</sup> an antichretic creditor also cannot appropriate the real property in his or her favor upon the non-payment of the debt.<sup>85</sup>

Antichresis also requires that the amount of the principal and the

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<sup>75</sup> See I. Navarro and G. Turnbull, *Antichresis Leases: Theory and Empirical Evidence from the Bolivian Experience* 5 (2009) for its discussion on the history of antichresis.

<sup>76</sup> Id.

<sup>77</sup> Id.

<sup>78</sup> Id.

<sup>79</sup> Id.

<sup>80</sup> Id. at 6.

<sup>81</sup> Id.

<sup>82</sup> *Trillana v. Manansala, et al.*, 96 Phil. 865, 866 (1955) [Per J. Bengzon, En Banc], citing *Barretto v. Barretto*, 37 Phil. 234 (1917) [Per J. Torres, En Banc] and *Valencia v. Acala*, 42 Phil. 177 (1921) [Per J. Villamor, En Banc].

<sup>83</sup> “*Pactum commissorium* is a stipulation empowering the creditor to appropriate the thing given as guaranty for the fulfilment of the obligation in the event the obligor fails to live up to his undertakings without further formality, such as foreclosure proceedings, and a public sale.” *Martires v. Chua*, G.R. No. 174240, March 20, 2013, 694 SCRA 38, 52 [Per J. Peralta, Third Division], citing *Edralin v. Philippine Veterans Bank*, G.R. No. 168523, March 9, 2011, 645 SCRA 75, 89 [Per J. Del Castillo, First Division].

<sup>84</sup> CIVIL CODE, art. 2088. “The creditor cannot appropriate the things given by way of pledge or mortgage, or dispose of them. Any stipulation to the contrary is null and void.”

<sup>85</sup> CIVIL CODE, art. 2137 “The creditor does not acquire the ownership of the real estate for non-payment of the debt within the period agreed upon.”

interest be in writing for the contract to be valid.<sup>86</sup>

However, the issue before us does not concern the nature of the relationship between the parties, but the validity of the documents that caused the subsequent transfers of the property involved.

The reinstatement of the property in favor of respondents Revilla spouses was anchored on the lower courts' finding that their signatures as sellers in the "Kasulatan ng Bilihan ng Lupa" were forged.

This court has held that the "question of forgery is one of fact."<sup>87</sup> Well-settled is the rule that "[f]actual findings of the lower courts are entitled great weight and respect on appeal, and in fact accorded finality when supported by substantial evidence on the record."<sup>88</sup>

The Court of Appeals agreed with the finding of the trial court that the signature of Alfredo Revilla in the "Kasulatan ng Bilihan ng Lupa" was forged:

It was convincingly found by the court *a quo* that the *Kasulatan ng Bilihan ng Lupa* or Deed of Sale covering the subject property allegedly executed by the Spouses Revilla in favor of Zacarias was spurious, as the trial court, after relying on the report of the handwriting experts of the National Bureau of Investigation (NBI) saying that "there exist significant differences in handwriting characteristics/habits between the questioned and the standard/sample signatures 'ALFREDO REVILLA' such as in the manner of execution of strokes, structural pattern of letters/elements, and minute identifying details", as well as the trial court's own visual analysis of the document and the sample signatures of plaintiff-appellee Alfredo, clearly showed that his signature on the said *Kasulatan ng Bilihan ng Lupa* was indeed forged.<sup>89</sup>

Petitioner contends that the lower courts never declared as falsified the signature of Alfredo's wife, Paz Castillo-Revilla. Since the property is conjugal in nature, the sale as to the one-half share of Paz Castillo-Revilla should not be declared as void.<sup>90</sup>

The transaction took place before the effectivity of the Family Code in

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<sup>86</sup> CIVIL CODE, art. 2134; *Bangis v. Heirs of Adolfo*, G.R. No. 190875, June 13, 2012, 672 SCRA 468, 477 [Per J. Perlas-Bernabe, Third Division].

<sup>87</sup> *Deheza-Inamarga v. Alano, et al.*, 595 Phil. 294, 300 (2008) [Per J. Quisumbing, Second Division], citing *Cogtong v. Kyoritsu International, Inc.*, 555 Phil. 302, 306 (2007) [Per J. Quisumbing, Second Division].

<sup>88</sup> *Spouses Bernales v. Heirs of Sambaan*, G.R. No. 163271, January 15, 2010, 610 SCRA 90, 99 [Per J. Del Castillo, Second Division].

<sup>89</sup> *Rollo*, pp. 52 and 165–166.

<sup>90</sup> *Id.* at 140.

2004. Generally, civil laws have no retroactive effect.<sup>91</sup> Article 256 of the Family Code provides that “[it] shall have retroactive effect insofar as it does not prejudice or impair vested or acquired rights in accordance with the Civil Code or other laws.”

Article 165 of the Civil Code states that “[t]he husband is the administrator of the conjugal partnership.” Article 172 of the Civil Code provides that “[t]he wife cannot bind the conjugal partnership without the husband’s consent, except in cases provided by law.”<sup>92</sup> In any case, the Family Code also provides as follows:

Art. 96. The administration and enjoyment of the community property 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.

In the event that one spouse is incapacitated or otherwise unable to participate in the administration of the common properties, the other spouse may assume sole powers of administration. ***These powers do not include disposition or encumbrance without authority of the court or the written consent of the other spouse. In the absence of such authority or consent, the disposition or encumbrance shall be void.*** However, the transaction shall be construed as a continuing offer on the part of the consenting spouse and the third person, and may be perfected as a binding contract upon the acceptance by the other spouse or authorization by the court before the offer is withdrawn by either or both offerors. (Emphasis supplied)

Thus, as correctly found by the Court of Appeals, “assuming *arguendo* that the signature of plaintiff-appellee Paz on the *Kasulatan ng Bilihan ng Lupa* was not forged, her signature alone would still not bind the subject property, it being already established that the said transaction was made without the consent of her husband plaintiff-appellee Alfredo.”<sup>93</sup>

Lastly, petitioner argues that she has no obligation to prove the genuineness and due execution of the “*Kasulatan ng Bilihan ng Lupa*” considering it is a public document.<sup>94</sup>

The trial court found otherwise. Atty. Diosdado de Mesa, who allegedly notarized the “*Kasulatan ng Bilihan ng Lupa*,” was not a

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<sup>91</sup> CIVIL CODE, art. 4.

<sup>92</sup> See *Fabrigas v. Del Monte*, 512 Phil. 627, 640–642 (2005) [Per J. Tinga, Second Division] for its discussion on Article 172 and the Civil Code and the status of contracts entered by a wife without her husband’s consent.

<sup>93</sup> *Rollo*, p. 54.

<sup>94</sup> *Id.* at 134.

commissioned notary public. The trial court discussed as follows:

Furthermore, it was discovered that *the notary public who purportedly notarized the “Kasulatan ng Bilihan ng Lupa” has not been registered notary public in the province of Cavite in 1979 nor at present.* The record bears out various Certifications to prove there is no available record on file with the Office of the Clerk of Court, Regional Trial Court, Cavite City of a Commission/Order appointing Atty. Diosdado de Mesa, the lawyer who notarized the subject document, as Notary Public for the Province and City of Cavite (Exh. “Y” to “Y-2”); Certification from the Records Management and Archives Office, Manila that no copy is on file with the said office of the Deed of Sale allegedly executed by plaintiffs before Notary Public Diosdado de Mesa, for and within Imus, Cavite, acknowledged as Doc. No. 432, Page No. 45, Book No. VIII, Series of 1979 (Exh. “Z” to “Z-1”); Certification issued by Clerk of Court, Atty. Ana Liza M. Luna, Regional Trial Court, Tagaytay City that there is no available record on file of a Commission/Order appointing Atty. Diosdado de Mesa as Notary Public for the Province and Cities of Tagaytay, Cavite and Trece Martires in 1979 (Exh. “AA” to “AA-2”); Certification issued by Clerk of Court, Atty. Jose O. Lagao, Jr., Regional Trial Court, Multiple Sala, Bacoor, Cavite that there is no available record on file of a Commission/Order appointing Atty. Diosdado de Mesa as Notary Public for the Province and City of Cavite (Exh. “BB” to “BB-2”); and Certification issued by Clerk of Court, Atty. Regalado E. Eusebio, Regional Trial Court, Multiple Sala, Imus, Cavite that there is no available record on file of a Commission/Order appointing Atty. Diosdado de Mesa as Notary Public for the Province of Cavite (Exh. “CC” to “CC-2”).<sup>95</sup> (Emphasis supplied).

Petitioner contends that the Sun spouses were buyers in good faith for value, thus, the court erred in ordering reinstatement of the property in favor of respondents Revilla spouses.<sup>96</sup>

This court has held that “the rule in land registration law that the issue of whether the buyer of realty is in good or bad faith is relevant only where the subject of the sale is registered land and the purchase was made from the registered owner whose title to the land is clean[.]”<sup>97</sup> Our laws have adopted the Torrens system to strengthen public confidence in land transactions:

[T]he Torrens system was adopted in this country because it was believed to be the most effective measure to guarantee the integrity of land titles and to insure their indefeasibility once the claim of ownership is established and recognized. If a person purchases a piece of land on the assurance that the seller’s title thereto is valid,

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<sup>95</sup> Id. at 166.

<sup>96</sup> Id. at 141, citing *Heirs of Tiro v. Philippine Estates Corporation*, 585 Phil. 306 (2008) [Per J. Chico-Nazario, Third Division].

<sup>97</sup> See *Estate of Cabacungan v. Laigo*, G.R. No. 175073, August 15, 2011, 655 SCRA 366, 388 [Per J. Peralta, Third Division], citing *Spouses Rayos v. Reyes*, 446 Phil. 32, 50 (2003) [Per J. Bellosillo, Second Division], in turn citing *Sales v. Court of Appeals*, G.R. No. 40145, July 29, 1992, 211 SCRA 858 [Per J. Romero, Third Division] and *David v. Bandin*, 233 Phil. 139, 150 (1987) [Per C.J. Yap, First Division].



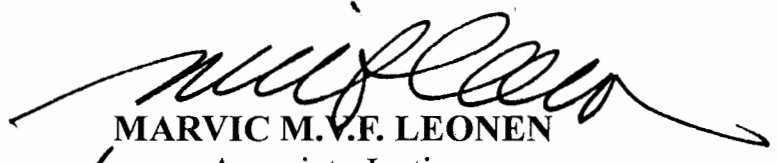
he should not run the risk of losing his acquisition. If this were permitted, public confidence in the system would be eroded and land transactions would have to be attended by complicated and not necessarily conclusive investigations and proof of ownership.<sup>98</sup>

Necessarily, those who rely in good faith on a clean title issued under the Torrens system for registered lands must be protected. On the other hand, those who purchase unregistered lands do so at their own peril.<sup>99</sup>

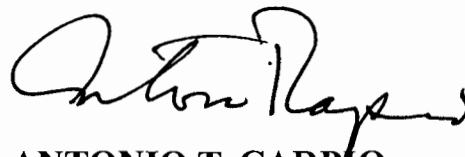
This good faith argument cannot be considered as this case involves unregistered land. In any case, as explained by respondents Revilla spouses in their memorandum, this is a defense personal to the Sun spouses and cannot be borrowed by petitioner.<sup>100</sup> The Sun spouses no longer raised this argument on appeal, but only made a partial appeal regarding legal interest on the award.<sup>101</sup>

**WHEREFORE**, this petition is **DENIED** for lack of merit. The decision of the Court of Appeals dated August 13, 2009 is **AFFIRMED**.

**SO ORDERED.**

  
**MARVIC M.V.F. LEONEN**  
Associate Justice

WE CONCUR:

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson

  
**ARTURO D. BRION**  
Associate Justice

  
**MARIANO C. DEL CASTILLO**  
Associate Justice

<sup>98</sup> *Vda. de Melencion v. Court of Appeals*, 560 Phil. 334, 356 (2007) [Per J. Nachura, Third Division].

<sup>99</sup> *See Estate of Cabacungan v. Laigo*, G.R. No. 175073, August 15, 2011, 655 SCRA 366, 388 [Per J. Peralta, Third Division].

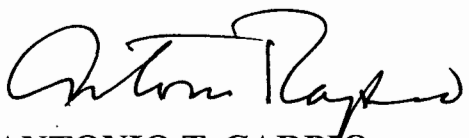
<sup>100</sup> *Rollo*, p. 156.

<sup>101</sup> *See CA decision, rollo*, p. 55.

  
**JOSE CATRAL MENDOZA**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**ANTONIO T. CARPIO**  
Acting Chief Justice