



Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

NOTICE

Sirs/Mesdames

Please take notice that the Court, Third Division, issued a Resolution dated April 17, 2023, which reads as follows:

G.R. No. 259490 – LUCITA LIM, petitioner, versus KA EM KUA, CHUNG LUNG UY, and REGISTRY OF DEEDS OF SAN JUAN, respondents.

This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the Decision,² dated June 21, 2021, and the Resolution,³ dated February 21, 2022, of the Court of Appeals (CA) in CA G.R. CV No. 111366. The CA found petitioner Lucita Lim (**Lim**) to be a buyer in bad faith and accordingly affirmed the Decision,⁴ dated March 13, 2018, of the Branch 160 Pasig City (San Juan City Station) Regional Trial Court (**RTC**) which ordered the reconveyance of the properties in dispute to respondent Ka Em Kua (**Kua**), the registered owner thereof.

The Facts

Kua is the registered owner of a condominium unit and a parking slot in Goldland Plaza Condominium covered by Condominium Certificate of Title (**CCT**) Nos. 4681-R and 4682-R (the **subject properties**). She claimed that while she was out of the country on April 30, 2009, her husband, respondent Chung Lung Uy (**Uy**), forged her signature in a Special Power of Attorney (**SPA**)⁵ which granted the latter the authority to sell, transfer, and convey the subject properties and to receive payment therefor on her behalf. Uy was able to have the SPA annotated on the CCTs of the subject properties.⁶

On October 29, 2009, Kua discovered that Uy executed a Deed of Absolute Sale (**DOAS**), dated October 22, 2009, conveying the subject

¹ *Rollo*, pp. 9-25.

² *Id.* at 29-45. Penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Fernanda Lampas Peralta and Bonifacio S. Pascua.

³ *Id.* at 46-49.

⁴ *Id.* at 188-199. Penned by Acting Presiding Judge Caesar C. Buenagua.

⁵ *Id.* at 60-61.

⁶ *Id.* at 30-31 and 190, CA and RTC Decisions.

properties in favor of Lim despite Uy's absence from the country from September to November 2009. Consequently, Kua executed an affidavit denying the execution of the SPA to prevent the cancellation of the CCTs and initiated the present case and a criminal case for falsification against Uy.⁷

For her part, Lim maintained that she is a buyer in good faith. She alleged that Uy had leased the subject properties to her sister from April 2004 until 2009 when Uy offered her the same for sale. Lim asserted that upon checking the CCTs and learning that the subject properties were in Kua's name, she inquired about Uy's authority to sell the subject properties to which Uy responded by showing the SPA. Relying on the SPA and original copies of the CCTs in Uy's possession, Lim bought the subject properties for ₱7 million although the purchase price reflected in the DOAS is only ₱4.8 million. Lim likewise disclosed that while the DOAS was signed on July 1, 2009, the same was belatedly notarized on October 22, 2009.⁸

The Ruling of the RTC

In the Decision,⁹ dated March 13, 2018, the RTC held that Lim cannot be considered a buyer in good faith. Hence, it declared the DOAS null and void and ordered Lim to reconvey the subject properties to Kua. The RTC found that Kua's signature in the SPA is a forgery and that Lim failed to observe the requisite diligence in examining the validity of Uy's authority to convey the subject properties on Kua's behalf. The RTC opined that Lim should have easily identified badges of irregularity in the execution of the SPA, such as its "precarious pagination," and that she should have been more wary because she knew that documents may be notarized without the presence of the parties, as shown by her admission that she had the DOAS notarized without Uy.¹⁰

Aggrieved, Lim filed appealed to the CA.

The Ruling of the CA

In the Decision,¹¹ dated June 21, 2021, the CA denied Lim's appeal as it likewise found her to be a buyer in bad faith. It found fault in Lim's heavy reliance on Uy's representations moreso as Kua was able to prove that her signature on the SPA was forged and that Uy was abroad when the DOAS

⁷ Id. at 31 and 190.

⁸ Id. at 31-32 and 191.

⁹ Id. at 188-199.

¹⁰ Id. at 192-199.

¹¹ Id. at 29-45.

was notarized. Thus, the CA held that the reconveyance of the subject properties to Kua is warranted.¹²

Lim moved for reconsideration, which the CA denied in the Resolution,¹³ dated February 21, 2022.

Hence, this Petition.

The Issue

Did the CA err in finding Lim to be a buyer in bad faith?

The Ruling of the Court

Preliminarily, it is well to note that despite the lapse of several months, Lim has not yet complied with the Court's directive in the Resolution, dated July 27, 2022, to submit soft copies of the Motion for Extension of Time to file Petition and the Petition itself, pursuant to the Rules on E-Filing and the Efficient Use of Paper Rule.¹⁴ For this alone, the Petition may be dismissed for failure to comply with such directive without justifiable cause, in accordance with Rule 56, Section 5(e) of the Rules of Court.

In any case, the Petition lacks merit.

While a forged deed can legally be the root of a valid title when an innocent purchaser for value intervenes, the status of a buyer in good faith is never presumed and must be proven by the person invoking it.¹⁵

A purchaser in good faith is one who buys the property of another, without notice that some other person has a right to, or interest in, such property, and pays the full and fair price for it at the time of such purchase or before he or she has notice of the claim or interest of some other persons in the property. He or she buys the property with the belief that the person from whom he or she receives the thing was the owner and could convey title to the property. One cannot close his or her eyes to facts that should put a reasonable person on guard and still claim he or she acted in good faith.¹⁶

¹² Id. at 41-43.

¹³ Id. at 46-49.

¹⁴ A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC, September 10, 2013.

¹⁵ *Camper Realty Corp. v. Pajo-Reyes*, 646 Phil. 689, 697 (2010).

¹⁶ *Aguilar-Reyes v. Spouses Mijares*, 457 Phil. 120, 136-137 (2003).

It is further settled that a higher degree of prudence is required from one who buys from a person who is not the registered owner, although the property object of the transaction is registered. While the buyer from the registered owner does not need to look behind the certificate of title, one who buys from one who is not the registered owner is expected to examine not only the certificate of title but all factual circumstances necessary to determine if there are any flaws in the title of the transferor, or in the capacity to transfer the land.¹⁷

In this case, Lim claimed that she has known Uy to be the owner of the subject properties as Kua neither checked nor visited since her sister leased the same in April 2004 until their sale in July 2009. She averred that it was only when the subject properties were offered to her for sale when she discovered that they are also in Kua's name, who is a Taiwanese citizen and not a resident of the Philippines.¹⁸ These should have prompted Lim to be more circumspect in dealing with Uy, given that not all pages of the SPA bear Kua's signature and that the notarial certificate only reflects her residence certificate, which have been declared to be no longer competent proof of identity for purposes of notarization.¹⁹ Further incriminating is her admission that she had the DOAS notarized despite Uy's absence.

Clearly, Lim was remiss in diligently inquiring into the authority of Uy to convey the subject properties despite knowledge of facts that should have led her to inquire into the circumstances behind the execution of the SPA. Her unquestioning reliance thereon and Uy's representations are not acts that may be attributed to a prudent buyer. As the RTC noted, Lim's acts exhibit her propensity to employ shortcuts and disregard the relevant law, rules, and procedures.²⁰ Thus, as correctly held by the lower courts, Lim is not a buyer in good faith.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED**. The Decision, dated June 21, 2021, and the Resolution, dated February 21, 2022, of the Court of Appeals in CA G.R. CV No. 111366 are **AFFIRMED**.

SO ORDERED.

By authority of the Court:

Misael Domingo C. Battung III
MISAELO DOMINGO C. BATTUNG III
Division Clerk of Court *JB* 7/14/23

¹⁷ *Spouses Bautista v. Silva*, 533 Phil. 627, 639 (2006); *Abad v. Spouses Guimba*, 503 Phil. 321, 331-332 (2005); *Aguirre v. Court of Appeals*, 466 Phil. 32, 45 (2004).

¹⁸ *Rollo*, pp. 13-14 and 16, Petition.

¹⁹ 2004 Rules on Notarial Practice; *Baylon v. Almo*, 578 Phil. 238, 242 (2008).

²⁰ *Rollo*, p. 199, RTC Decision.

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The Presiding Judge
REGIONAL TRIAL COURT
Branch 160, 1600 Pasig City
[San Juan Station]
(Civ. Case No. 72259-SJ)

Mr. Chung Lung Uy
Respondent
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1100 Quezon City

-or-

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