

### Title:

**\*\*Adelfa S. Rivera, Cynthia S. Rivera, and Jose S. Rivera vs. Fidela Del Rosario et al.\*\***

### Facts:

The case revolves around the ownership dispute over Lot No. 1083-C in Lolomboy, Bulacan. Initially owned by Fidela Del Rosario and her children, the property became the subject of a series of agreements involving a loan secured by Fidela from Mariano Rivera in 1987. To secure the loan, Fidela and Mariano agreed to execute a real estate mortgage and an agreement to sell the land to Mariano's children (petitioners) for P2,141,622.50, payable in three installments. However, an absolute sale deed for a significantly lower price (P601,160) and including an additional lot (Lot No. 1083-A) was drafted and inadvertently signed by Fidela.

Subsequent attempts by Mariano to fulfill the conditions of the Kasunduan (agreement to sell) led to partial payments and the non-return of the title deed by Mariano. Fidela's son later discovered the title deed's loss and registered an affidavit of loss. Nonetheless, Mariano successfully registered the absolute sale deed, resulting in new titles being issued in the names of the petitioners, who then negotiated with the tenant, Feliciano Nieto, about his tenurial rights, leading to subdivision and further title issuances.

In response, the Del Rosarios filed a complaint with the RTC of Malolos, seeking rescission of the Kasunduan due to non-compliance, annulment of the deed of absolute sale on grounds of fraud, cancellation of subsequent titles, and reconveyance of the property.

### Issues:

1. Whether the trial court acquired jurisdiction despite alleged deficiencies in filing fees and involvement of an agricultural tenant.
2. Validity of the Deed of Absolute Sale concerning Lot 1083-A and its impact on the case.
3. Prescription of the respondents' cause of action.

### Court's Decision:

The Court ruled in favor of the respondents, establishing the following points:

1. **\*\*Jurisdiction was validly acquired\*\*** as the correct docket fees were paid as assessed by the Clerk of Court, and the case's nature merits judicial court jurisdiction rather than DARAB's, given the primary cause of action revolves around rescission and nullification due to fraud.
2. The **\*\*Deed of Absolute Sale was declared void\*\*** in its entirety as it involved Lot No.

1083-A, which had been expropriated and was not the subject of the litigation, thereby rendering the Court of Appeals' ruling on this lot's portion of the deed incorrect.

3. The **cause of action was not barred by prescription** since the fraudulent act's discovery happened close to the time of filing the complaint, thus falling within the permissible period for action under the New Civil Code.

### ### Doctrine:

This case reiterates the distinction between the rescission of reciprocal obligations under Article 1191 and rescission of contracts under Article 1383 of the New Civil Code, emphasizing that the former pertains to the non-fulfillment of conditions that would have otherwise bound the contract, not a breach per se that would invoke rescission.

### ### Class Notes:

- **Jurisdiction**: Payment of assessed docket fees, as done by respondents, suffices for jurisdictional purposes, regardless of later contentions regarding the amount. Jurisdiction over cases involving agricultural tenants may still lie with judicial courts if the primary issue concerns contractual disputes involving property ownership rather than agricultural tenancy rights.

- **Rescission and Nullification**:

- Rescission under Article 1191 (reciprocal obligations) differs from rescission under Article 1383 (rescissible contracts), with the former rooted in conditional obligations and the latter in lesion or defect.

- Contracts voided for fraud or mistake must be acted upon within four years from the discovery of the cause under Article 1391.

- **Damages**: The case illustrates the court's discretion in adjusting awarded damages, balancing between compensating the injured party and avoiding unjust enrichment.

### ### Historical Background:

The complexity and protraction of property disputes, as illustrated in this case, highlight the criticality of precision and clarity in legal documentation and the vigilance required in property transactions to guard against fraud and inadvertent contractual commitments. The decision also underscores the evolving jurisprudence surrounding contract law, particularly in distinguishing between types of rescission and emphasizing the implications of mutual obligations in contracts to sell versus absolute sales.