

Title:

****Villanueva vs. Court of Appeals and The Heirs of Eusebia Napisa Retuya: A Landmark Case on Conjugal Property Rights****

Facts:

Eusebia Napisa Retuya, married to Nicolas Retuya since October 7, 1926, filed a complaint on October 13, 1988, seeking the reconveyance of several properties she claimed were conjugal, from Nicolas, his partner Pacita Villanueva, and their son Procopio Villanueva. Eusebia argued the properties, acquired during her marriage to Nicolas, were being wrongfully claimed and managed by Nicolas, Pacita, and Procopio, demanding their return, along with accounting for revenues generated.

Nicolas ceased cohabitation with Eusebia in 1945, living instead with Pacita, with whom he had an illegitimate son, Procopio. Since 1985, post-Nicolas' incapacitating stroke, Procopio usurped control over the properties' incomes. Despite Eusebia's attempts for reconciliation and settlements, the matter escalated to court. The Regional Trial Court of Mandaue City ruled in Eusebia's favor on February 16, 1994, declaring the disputed properties conjugal and ordering various forms of restitution to Eusebia.

On appeal, the Court of Appeals upheld the trial court's decision but removed the awarded attorney's fees. Petitioners sought review from the Supreme Court, questioning the conjugal nature of the properties and the applicability of prescription and laches.

Issues:

1. Incorrect declaration of properties as conjugal without it being an explicit cause of action in Eusebia's complaint.
2. The presumption of properties acquired during marriage as conjugal in nature.
3. Non-applicability of Article 148 of the Family Code favoring co-ownership between Nicolas and Pacita.
4. The bar of action for reconveyance over a property by prescription or laches.

Court's Decision:

The Supreme Court denied the petition, affirming the appellate court's findings. It clarified:

- Eusebia's complaint indeed claimed the properties were conjugal.
- The presumption under Article 116 of the Family Code that properties acquired during the marriage are conjugal was correctly applied, given the evidence presented.
- Petitioners mistakenly called upon Article 148 of the Family Code, which necessitates

proof of actual joint contribution to the acquisition of properties by cohabiting partners, which they failed to provide.

- Petitioners failed to include the defense of prescription and laches in the pre-trial order, thus barring its consideration during the trial and on appeal.

Doctrine:

The Supreme Court reiterated the doctrine under Article 116 of the Family Code that properties acquired during a marriage are presumed to be conjugal unless proven otherwise. Additionally, the ruling emphasized that unilateral declarations by one spouse cannot alter the conjugal nature of properties, and misuse of legal representations (such as incorrect civil status) to exclude a spouse from property rights is impermissible.

Class Notes:

- Properties acquired during marriage are presumed conjugal (Family Code, Article 116).
- The burden of proof lies on the party claiming properties are not conjugal.
- Factual findings of lower courts are generally not reviewed by the Supreme Court unless under exceptional circumstances.
- Defenses not included in the pre-trial order are deemed waived and can't be raised on appeal.
- Article 148 of the Family Code requires proof of actual joint contribution for properties acquired by cohabiting partners to be considered co-owned.

Historical Background:

The case highlights the evolving legal interpretations of conjugal property rights in the Philippines, especially in light of changes brought about by the Family Code of 1988. It underscores the legal challenges faced by individuals in contesting property relations affected by extramarital relationships and the consequent impact on lawful marital properties.