

Title:

Macababbad, Jr. v. Masirag - G.R. No. 164787

Facts:

1. **Initial Complaint (1999):**

On April 28, 1999, Fernando, Faustina, Corazon, Leonor Masirag, and Leoncio Goyagoy (respondents) filed a complaint against Perfecto Macababbad, Jr. (later substituted by his heirs) and the spouses Chua Seng Lin and Say Un Ay (petitioners). They alleged the petitioners used fraud to deprive them of their inheritance from Lot No. 4144, originally owned by the spouses Pedro Masirag and Pantaleona Tulauan.

2. **Amended Complaint (May 10, 1999):**

The respondents amended their complaint to allege falsification of the “Extra-judicial Settlement with Simultaneous Sale of Portion of Registered Land (Lot 4144)” dated December 3, 1967. They claimed the petitioners falsified signatures to make it appear the respondents participated in the settlement and sale of the property.

3. **Intervenors Join (December 14, 1999):**

Francisca Masirag Baccay, Pura Masirag Ferrer-Melad, and Santiago Masirag (intervenors) were granted leave to intervene in the case, claiming a shared interest in the inheritance.

4. **RTC Dismissal (May 29, 2000):**

After initial denial, the RTC dismissed the complaint on two grounds: the action had prescribed (filed 32 years after the sale) and failure to include indispensable parties (other heirs and innocent purchasers).

5. **CA Appeal:**

The respondents appealed the RTC’s dismissal to the Court of Appeals (CA), contending errors in interpreting the nature of their action and allegations.

6. **CA Reversal (2001):**

The CA reversed the RTC dismissal, stating the complaint alleged sufficient cause (fraud) and was governed by Civil Code provisions on implied trust and imprescriptibility of actions to declare a contract null and void.

7. **Petition for Review on Certiorari:**

Petitioners sought a review from the Supreme Court (SC), arguing the CA lacked jurisdiction over what was essentially a pure question of law and misinterpreted the

implications of prescription.

Issues:

1. **Jurisdictional Question:**

Did the CA have jurisdiction over the appeal given that the petitioners claimed the issues involved pure questions of law?

2. **Cause of Action:**

Did the respondents' complaint state a viable cause of action?

3. **Prescription:**

Was the respondents' action for nullity of the extrajudicial settlement and reconveyance of property prescribed?

4. **Impleading Indispensable Parties:**

Was the RTC correct in dismissing the complaint for failure to include indispensable parties?

Court's Decision:

1. **Jurisdiction:**

The SC determined the CA had proper jurisdiction as the issues involved mixed questions of fact and law. The determination of prescription required factual analysis, and thus fell within the CA's appellate jurisdiction.

2. **Cause of Action:**

The SC affirmed the CA's finding that the complaint sufficiently alleged fraud, crafting a cause of action for the declaration of nullity of the extrajudicial settlement and sale. The allegations were ample to avoid summary dismissal.

3. **Prescription:**

The SC ruled that the respondents' action, fundamentally one to declare the settlement and sale null and void due to fraud, was imprescriptible under Article 1410 of the Civil Code. Even if considered as an action for reconveyance based on implied trust, it would still be actionable as the complaint was filed promptly upon discovery of the fraud.

4. **Indispensable Parties:**

On the issue of indispensable parties, the SC cited procedural rules that non-joinder of indispensable parties should not lead to case dismissal but rather to an opportunity to

rectify the pleading. The RTC's outright dismissal without an attempt to have the plaintiffs include such parties was thus erroneous.

Doctrine:

****Imprescriptibility of Actions to Declare Nullity:**** Actions to declare a contract null and void due to fraud are imprescriptible under Civil Code Article 1410.

****Remedy for Non-Joinder:**** Misjoinder or non-joinder of parties is not ground for dismissal; courts should order inclusion and provide opportunity to amend complaints.

Class Notes:

1. ****Imprescriptibility:**** Actions to declare void contracts do not prescribe (Art. 1410, Civil Code).
2. ****Fraud and Implied Trust:**** Actions involving fraud and implied trust do not prescribe and often require detailed factual analysis.
3. ****Non-joinder of Indispensable Parties:**** Rule 3, Sec. 11 of the Rules of Court mandates that the failure to include indispensable parties does not warrant dismissal but necessitates an order to amend the complaint.

Historical Background:

This case situates within the broader context of land registration and property inheritance disputes in the Philippines. Traditionally, the complexity of familial and inherited land holdings, combined with issues of fraud and document falsification, has led to numerous legal challenges. The ruling underscores the judiciary's emphasis on equitable relief and procedural fairness, reflecting broader trends in the legal system's adaptation to frequent and intricate property disputes.