

**\*\*Title:\*\***

Lim et al. vs. Court of Appeals, Lorenzo O. Tan, and Hermogenes O. Tan, G.R. No. 51340-R

**\*\*Facts:\*\***

1. Deceased spouses Tan Quico and Josefa Oraa left 96 hectares of land in Albay, Philippines, upon their deaths in 1932.
2. They were survived by four children: Crescencia, Lorenzo, Hermogenes, and Elias. Elias died in 1935 without issue. Crescencia died in 1967.
3. Petitioners, the heirs of Crescencia, alleged that the properties had been administered by Lorenzo since the deaths of Tan Quico and Josefa Oraa and demanded their partition, which Lorenzo refused, prompting them to file Civil Case No. 3676.
4. Respondents Lorenzo and Hermogenes claimed that the properties had been orally partitioned and documented in a “Deed of Confirmation of Extra Judicial Settlement of the Estate” and a receipt for payment.
5. The trial court rendered judgment in favor of the petitioners, rejecting the oral partition and voiding the Deed due to Crescencia’s lack of understanding.
6. The Court of Appeals reversed the trial court decision, holding that the properties were partitioned, and no undue influence was exercised by Lorenzo over Crescencia.
7. Aggrieved, petitioners sought review from the Supreme Court.

**\*\*Procedural Posture:\*\***

- Trial Court ruled in favor of petitioners, voiding the Deed and rejecting the oral partition claimed by respondents.
- The Court of Appeals reversed the Trial Court’s decision, recognizing the oral partition and validating the Deed and transfer of properties.

**\*\*Issues:\*\***

1. Whether the properties of the deceased spouses were already partitioned among their heirs.
2. Whether the “Deed of Confirmation of Extra Judicial Settlement” was valid and entered into without mistake, fraud, or undue influence.
3. Whether Crescencia sold her share of the inheritance to Lorenzo.

**\*\*Court’s Decision:\*\***

1. **\*\*Partition of Properties:\*\***

- The Supreme Court found that the properties were not partitioned. Evidence presented,

including conflicting testimonies from Hermogenes and Lorenzo, indicated no definitive partition occurred. Additionally, tax declarations remained under the names of the original owners, signaling no partition.

2. **Validity of the “Deed of Confirmation:”**

- The Court held that the Deed was invalid. Under Article 1332 of the Civil Code, the burden was on respondents to prove that the terms of the Deed were fully explained to Crescencia, who was illiterate and did not understand English. The evidence failed to show a clear understanding by Crescencia, compounded by inconsistencies in the respondents’ testimonies and the suspicious circumstances surrounding the execution of the Deed.

3. **Sale of Inheritance Share:”**

- The Supreme Court determined that there was no sale of Crescencia’s share to Lorenzo. Analysis of receipt Exhibit “2” indicated the amounts involved were not solely for the alleged purchase of her share, thereby undermining the claim of a completed sale.

**Doctrine:”**

- **Article 1332, Civil Code:”** Mandates that when one party is unable to read, and mistake or fraud is alleged, the terms must be fully explained by the enforcing party.
- **Article 24, Civil Code:”** Emphasizes courts’ duty to protect the disadvantaged.
- **Article 1358, Civil Code:”** Contracts involving substantial conveyances must be in a public document.

**Class Notes:”**

- **Partition:”** Absence of formal records or updates in property titles undermines claims of property division.
- **Deed Validity:”** For contracts involving illiterate parties, full explanation and comprehension are crucial.
- **Burden of Proof:”** Lies on the party asserting the enforcement of a contract to demonstrate adequate explanation and absence of undue influence.
- **Notarization Requirement:”** Key legal documents, significant for property transfers, require notarization for credibility and enforceability.

**Historical Background:”**

- This case mirrors post-WWII Philippines’ difficulties with property administrations amidst prevalent illiteracy. Legal requirements from the Civil Code ensure fairness for those disadvantaged in literacy and understanding of legal documentation, reflective of broader

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concerns over social justice during the period. 05, 2004 (Case Brief / Digest)