

**FILOMENA ARROYO VDA. DE BUNCIO, ET AL.,
PLAINTIFFS-APPELLANTS, VS. ESTATE OF THE LATE SPOUSES ANITA
DE LEON AND SERAFIN VILIANUEVA, SR., ET AL.,
DEFENDANTS-APPELLEES.**

G.R. No. L-29330. December 14, 1987

Ponente: NARVASA, J.

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NARVASA, J.:

Involved in this case is an attempt by a daughter to claim her share in her father's estate some sixty-three years after the latter's demise. The father, Andres Arroyo, died sometime in 1901. He left an estate apparently of no mean size, comprised of properties located mainly in Iloilo and Negros Occidental. He was survived by three compulsory heirs: Felix Arroyo, a legitimate son by his first wife, and Filomena Arroyo and Simplicio Arroyo, legitimate children by his second wife. Administration of his estate was assumed and undertaken by Felix Arroyo, as the oldest son, evidently without objection from his brother or sister.

On February 19, 1964, his daughter, the aforementioned Filomena Arroyo, then already 84 years of age and a widow, together with her six (6) children,[1] filed suit in the then Court of First Instance of Negros Occidental,[2] seeking to recover from the estate of the late Spouses Anita de Leon and Serafin Villanueva, Sr. and their children, what she claimed to be one-third (1/3) of the properties left by her deceased father. Her complaint alleged that her share in the inheritance had at all times been held in trust by Felix Arroyo and after his death, by his heirs and successors-in-interest, who are the defendants named in her complaint, and she had been deprived of that share through fraud and misrepresentation. She also prayed for an accounting of the fruits of the inheritance and the payment to her of her proportionate share in those fruits as might be warranted by the results of the accounting.

The defendant Anita de Leon was the granddaughter of Felix Arroyo by his daughter, Fortunata. Serafin Villanueva was her husband. They moved to dismiss the complaint on several grounds: failure of the complaint to state a cause of action, *res judicata*, laches, estoppel, release, and bar by the statute of limitations. The Trial Court sustained the motion and dismissed the action, by Order dated March 14, 1966. It also directed the Register of Deeds of Iloilo, Negros Occidental, etc., to cancel the annotation of *lis pendens* caused to be made by the plaintiffs on all the certificates of title of the land involved in the litigation.

Appeal was timely perfected by the plaintiffs to the Court of Appeals in *forma pauperis*.¹ But the appeal was, by resolution dated July 30, 1968, forwarded to this Court pursuant to Section 3, Rule 50 of the Rules of Court, avowedly because the appeal raised only questions of law, and the amount in controversy exceeded the amount of P200,000.00 and hence fell within the exclusive jurisdiction of the Supreme Court.²

Assigned by the appellants as errors of the Court *a quo* are: (1) its having sustained the motion to dismiss on the ground of *res judicata*, release and estoppel in complete disregard of the appellants' refutation thereof; and (2) depriving them in the process of their day in court.

The defense of *res judicata* was anchored on a prior judgment rendered in Civil Case No. 7862 of the Court of First Instance of Negros Occidental. That case related to the division of the estate of Andres Arroyo, and the judgment was rendered on the basis of a compromise agreement entered into by the parties entitled *Convenio de Transaccion*, dated February 19, 1940, subscribed by the late Spouses Anita de Leon and Serafin Villanueva, as well as by Filomena Arroyo herself. The appellants argue that the doctrine of *res judicata* is inapplicable because between the two (2) cases -- Civil Case No. 7200 and the earlier one, Civil Case No. 7862 -- there was, in the first place, no identity in subject matter -- the first being concerned exclusively with the share of Simplicio Arroyo, Filomena's brother, consisting of one-third (1/3) of the estate in controversy, which was distinct from the third claimed by Filomena in the later action -- and, in the second place, no identity in cause of action -- since Case No. 7862 involved the naked claim of ownership while the later, Civil Case No. 7200, involved among others trusteeship, and fraud, in addition to the claim of ownership. The appellants further argue that the *Convenio de Transaccion* could not operate as a release of their claims to the estate, or as estoppel to assert the same, because Filomena's consent to the convenio or agreement had been procured through fraud, misrepresentation, deceit and undue influence. The appellants further contend that in view of the summary dismissal of their complaint, they had been deprived of the opportunity to prove their case on the merits.

The appeal must be resolved adversely to the plaintiffs-appellants. The grounds relied upon by the Trial Court are justified by the facts on record, chiefly appearing in indubitable documents. These facts are hereunder briefly narrated.

Civil Case No. 7200, whence the present appeal was taken, was not, as already intimated, the first action brought by Filomena Arroyo against the aforementioned Anita de Leon and her husband, Serafin Villanueva. An earlier suit had been instituted by Filomena Arroyo in the Court of First Instance of Negros Occidental. The complaint was filed on December 14, 1938 by Filomena and her late husband, Ildefonso Buncio. Joined with them as co-plaintiffs in that action were the children and heirs of her half-brother Simplicio Arroyo, namely: Teofila, Consolacion and Emilio Arroyo (the latter being later substituted by his mother Olimpia Agnes Arroyo, upon his death after the filing of the action). Also joined as co-plaintiffs were Pura and Rude Arroyo, the children and heirs of Simplicio Arroyo, Jr., a son of Simplicio Arroyo. Named defendants were the aforesaid spouses, Anita de Leon and Serafin Villanueva. The suit was docketed as Civil Case No. 7862.1

On February 19, 1940, the parties executed a compromise agreement entitled *Convenio de Transaccion*, which they acknowledged before a notary public.² By it, the Buncio Spouses and their co-plaintiffs sold, transferred and conveyed all their rights, title and interests over all the properties involved in the litigation in favor of the defendant spouses, Anita and Serafin Villanueva. On the same day the parties filed a *Peticion*³ with the Court praying that judgment be rendered in accordance with their convenio. This the Court did the following day, February 20, 1940.⁴

However, on March 14, 1946 (after Liberation), the plaintiffs filed a motion to vacate the decision of February 20, 1940.⁵ They alleged as grounds therefor fraud, misrepresentation, deceit and undue influence vitiating their consent to the *Convenio de Transaccion*. The motion was denied, by Order dated June 5, 1946.⁶ The plaintiffs took steps to elevate the matter to a higher court by filing an "Exception and Notice of Appeal" dated June 21, 1946.⁷ But on September 20, 1946 the Court *a quo* dismissed the appeal sought to be taken by them for the reason that the requisite record on appeal and appeal bond had not been presented on time.⁸ The Buncios apparently took no further steps to impugn the judgment. In the meanwhile the Court rendered another decision dated August 17, 1949,⁹ this time approving a "Compromise Agreement" executed on August 18, 1949 between Olimpia Agnes, and Consolacion Arroyo (the co-plaintiffs of the Buncio Spouses),¹⁰ on the one hand, and the spouses Anita de Leon and Serafin Villanueva, on the other, and on the basis thereof, declaring the latter once again¹¹ the

exclusive and absolute owners of all the property subject of the litigation.

Upon these facts the application of the familiar doctrine of *res adjudicata* is authorized as against Filomena Arroyo Vda. de Buncio. The judgment in Civil Case No. 7862 operates as an absolute bar to Civil Case No. 7200, instituted twenty-four (24) years after its rendition. All the requisites for the application of the doctrine are present:¹ (1) the judgment in the first case was a final one, and had become executory; (2) it was rendered by a court having jurisdiction of the subject-matter and the parties; and (3) between the two (2) cases --- i.e., that in which said judgment was rendered (Civil Case No. 7862) and that in the case at bar (Civil Case No. 7200) --- there exists identity of parties, of subject-matter, and of causes of action.²

Some words anent the third requisite would not be inappropriate. The identity as to parties between the two cases, CC No. 7862 and CC No. 7200, is quite palpable. Plaintiffs in the earlier case, CC No. 7862 were Filomena Arroyo and her husband, and the heirs of Filomena's brother, Simplicio Arroyo (three [3] children and two [2] grandchildren). Plaintiffs in CC No. 7200 were the self-same Filomena Arroyo, then already widowed, and her six (6) children. Of course, the joinder of Filomena's children was improper, a superfluity. They had no rights whatever in the estate of their grandfather, Felix Arroyo, except such as they might derive from their mother, Filomena, upon her death. The identity as to parties defendant is even plainer. In both suits, the defendants were the Spouses Anita de Leon and Serafin Villanueva, except that in the second action, joined with them as defendants were their children. Again, the joinder of the Villanueva children was unnecessary and improper. They were neither indispensable nor proper.³ No right of action was asserted against them personally and directly; and any liability they might conceivably have to the plaintiffs could result only from their being heirs of their parents. It would seem that the inclusion of superfluous parties plaintiffs and defendants in the action was designed to avoid the application of *res adjudicata* as a bar to the second suit.

So, too, the identity as to the subject-matter in both actions is fairly evident. The property involved in CC No. 7862 consisted of registered lands located in Iloilo (Province and City) and Negros Occidental. The same registered parcels of land were subject of the later action, CC No. 7200, except that a few other parcels of land were included in the complaint.

Finally, Filomena's asserted causes of action in both cases were exactly the same: the recovery of her hereditary share in the estate of her father, the late Andres Arroyo, which she claimed to have been withheld from her by her brother, Felix, and the latter's heirs.

The applicability of the doctrine of *res adjudicata* cannot therefore be seriously contested. Its application cannot be avoided by the addition in the second suit of unnecessary parties,⁴ or the assertion of new issues which could have been set up in the prior action.

In this connection account should be taken of the cognate principle that *res adjudicata* operates to bar not only the re-litigation in a subsequent action of the issues squarely raised, passed upon and adjudicated in the first suit, but also the ventilation in said subsequent suit of any other issue which could have been raised in the first but was not. The law provides that "the judgment or order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action ** litigating for the same thing and in the same capacity."¹ So, even if new causes of action are asserted in the second action (e.g., fraud, deceit, undue machinations in connection with their execution of the *convenio de transaccion*), this would not preclude the operation of the doctrine of *res judicata*. Those issues are also barred, even if not passed upon in the first. They could have been, but were not, there raised.

Even if it were legally possible to shunt aside and ignore the principle of *res judicata*, this would not help the

appellants' cause one whit. Their cause of action for the annulment of their convenio de transaccion on the ground of fraud, undue influence, or mistake, as also their cause of action for recovery of property on the theory of constructive trust, assuming their tenability, would nonetheless be barred by another insuperable legal obstacle: prescription.

The action to annul a contract on the ground that consent is vitiated by mistake, violence, intimidation, undue influence or fraud prescribes in four (4) years;² and the period is reckoned, in case of mistake or fraud, from the time of the discovery of the same.³ It is noteworthy that as early as March 14, 1946 the appellants already had pleaded fraud in the motion filed by them on that day to set aside the judgment rendered in Civil Case No. 7268: their contention was that their consent to the convenio de transaccion, which the judgment had approved, had been obtained by fraud, or undue machinations. It is thus not unreasonable, surely, to consider March 14, 1946 as the day of the discovery of the fraud. So considered, it should at once be apparent that the prescriptive period of four (4) years had long elapsed when Civil Case No. 7200 was instituted by the appellants on February 19, 1964, eighteen (18) years afterwards.

Alternatively categorizing the appellants' cause of action as one for recovery of property held by defendants under a constructive trust, would not improve their situation. The statute of limitations would still preclude their success. Assuming the creation of an implied trust over the real property in question from the time that Felix Arroyo (appellees' predecessor) took over possession and administration thereof sometime in 1901, the period of prescription to recover the property --- set by law at ten (10) years --- began to run from the time that Torrens titles were obtained over the property in the name of the trustee or his successors-in-interest. The governing principle was just recently restated in definitive terms by this Court in its decision in *Amerol, et al. v. Bagumbaran.*, promulgated on September 30, 1987.¹

"An action for reconveyance based on an implied or constructive trust must perforce prescribe in ten years and not otherwise. A long line of decisions of this Court, and of very recent vintage at that, illustrates this rule. Undoubtedly, it is now well-settled that an action for reconveyance based on an implied or constructive trust prescribes in ten years from the issuance of the Torrens title over the property. * *."

It being clear from the record that the appellants had brought their suit, Civil Case No. 7268, more than ten (10) years after titles had been obtained over the property claimed by the appellees or their predecessor-in-interest, their cause of action predicated on constructive trust is barred by prescription.

WHEREFORE, the Order of the Trial Court dismissing the plaintiffs-appellants' action, subject of the instant appeal, is **AFFIRMED**, without pronouncement as to costs. This decision is immediately executory, and no motion for extension of time to file a motion for reconsideration will be entertained.

Teehankee, C.J., Cruz, Paras, and Gancayco, JJ., concur.

[1] Ildefonsa Buncio de Gonzales, Marcelo Buncio, Andres Buncio, Emilio Buncio, Manuel Buncio and Tito Buncio

[2] Docketed as Civil Case No. 7200

1 Docketed as CA-G.R. No. 37834-R

2 The Judiciary Act of 1948, as amended by R.A. 2613

1 The complaint was amended on July 14, 1939

2 Record on Appeal, pp. 102-104; Exh. 11

3 Id., pp. 100-101; Exh. 10

4 Id., p. 105; Exh. 12

5 Id., pp. 162-166; Exh. 20

6 Id., pp. 192-197; Exh. 25

7 Id., p. 198; Exh. 26

8 Id., pp. 207-208; Exh. 31. N.B. Under present rules, the posting of an appeal bond and the filing of a record on appeal are no longer required. A record on appeal needs to be filed only in special proceedings or other cases wherein multiple appeals are allowed (Sec. 39, BP Blg. 129, The Judiciary Reorganization Act of 1980, eff. Aug. 14, 1981; Pars. 18 and 19, Interim Rules prom. by Supreme Court, eff. on implementation of BP Blg. 129)

9 Id., pp. 219-223; Exh. 35. N.B. No explanation is disclosed by the record for the discrepancy in dates.

10 See footnote 1, page 3, supra, and related text

11 The first declaration was, of course, made in the judgment based on the compromise (convenio de transaccion) dated February 20, 1940. (SEE footnote 5, supra)

1 Moran, Comments on the Rules of Court, 1979 ed., Vol. 2, p. 351, citing cases; Feria, Civil Procedure, 1969 ed., p. 318, citing *San Diego v. Cardona*, 70 Phil. 281

2 SEE *Vda. de Sta. Romana v. PCIB*, 118 SCRA 330

3 SEE Secs. 7 and 8, Rule 3, Rules of Court.

4 SEE *Geralde v. Sabido*, 115 SCRA 839

1 Sec. 49 (b), Rule 39, Rules of Court; *Vda. de Sta. Romana v. PCIB*, 118 SCRA 330; *Vda. de Vocal v. Vda. de Suria*, 90 SCRA 36; *Mapa v. Guanzon*, 77 SCRA 387; *Yusingco v. Ong Hing Lian*, 42 SCRA 589; *Gonzales v. Gonzales*, 26 SCRA 72; *Aguila v. J.M. Tuason & Co., Inc.*, 22 SCRA 690; *Urtula v. Republic*, 22 SCRA 477; *De Goma v. De Goma*, 12 SCRA 674

2 Art. 1390, Civil Code; Art. 1301, Civil Code of 1889; Sec. 32 [3], Act 190

3 Art. 1391, Civil Code; Art. 1301, Civil Code of 1889

1 G.R. No. L-33261, per Sarmiento, J.; Padilla, J., dissenting; see also, Art. 1957, Civil Code of 1889; Sec. 40, Act 190

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