

SPOUSES RICARDO PASCUAL AND CONSOLACION SIOSON, PETITIONERS, VS. COURT OF APPEALS AND REMEDIOS S. EUGENIO-GINO, RESPONDENTS.

G.R. No. 115925. August 15, 2003

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

This is a petition for review of the Decision[1] dated 31 January 1994 of the Court of Appeals ordering the Register of Deeds of Metro Manila, District III, to place TCT No. (232252) 1321 in the name of respondent Remedios S. Eugenio-Gino. The Decision ordered the Register of Deeds to cancel the names of petitioners Ricardo Pascual and Consolacion Sioson ("petitioners") in TCT No. (232252) 1321. The Decision also directed petitioners to pay respondent moral and exemplary damages and attorney's fees.

The Facts

Petitioner Consolacion Sioson ("CONSOLACION") and respondent Remedios S. Eugenio-Gino ("REMEDIOS") are the niece and granddaughter, respectively, of the late Canuto Sioson ("CANUTO"). CANUTO and 11 other individuals, including his sister Catalina Sioson ("CATALINA") and his brother Victoriano Sioson ("VICTORIANO"), were co-owners of a parcel of land in Tanza, Navotas, Metro Manila. The property, known as Lot 2 of Plan Psu 13245, had an area of 9,347 square meters and was covered by Original Certificate of Title No. 4207 issued by the Register of Deeds of Rizal. CATALINA, CANUTO, and VICTORIANO each owned an aliquot 10/70 share or 1,335 square meters of Lot 2. [2]

On 20 November 1951, CANUTO had Lot 2 surveyed and subdivided into eight lots (Lot Nos. 2-A to 2-H) through Subdivision Plan Psd 34713 which the Director of Lands approved on 30 May 1952. Lot No. 2-A, with an area of 670 square meters, and Lot No. 2-E, with an area of 2,000 square meters, were placed under CANUTO's name. Three other individuals took the remaining lots.[3]

On 26 September 1956, CANUTO and CONSOLACION executed a Kasulatan ng Bilihang Tuluyan[4] ("KASULATAN"). Under the KASULATAN, CANUTO sold his 10/70 share in Lot 2 in favor of CONSOLACION for P2,250.00. The KASULATAN, notarized by Notary Public Jose T. de los Santos of Navotas, provides:

Na ako, CANUTO SIOSON, mamamayang Pilipino, may katampatang gulang, kasal kay Raymunda San Diego, at naninirahan sa Tanza, Navotas, Rizal, sa bisa at pamamagitan ng kasulatang ito ay nagpapatunay at nagpapatibay:

- Na ako ang lubos at tunay na may-ari ng 10/70 bahaging hindi hati (10/70 porcion pro-indiviso) ng isang lagay na lupa (Lote No. 2, Plano Psu-13245), na nasa sa nayon ng Tanza, Municipio ng Navotas, Provincia ng Rizal, at ang descripcion o pagkakakilanlan ng nasabing lote ay nakasaad sa Certificado Original, de Titulo No. 4207 ng Oficina ng Registrador de Titulos ng Rizal, gaya ng sumusunod:

x x x x

- Na dahil at alang-alang sa halagang Dalawang Libo Dalawang Daan at Limampung Piso (P2,250.00), salaping Pilipino, na sa akin ay ibinayad ni CONSOLACION SIOSON, kasal kay Ricardo S. Pascual, may sapat na gulang, mamamayang Pilipino, at naninirahan sa Dampalit, Malabon, Rizal at ang pagkakatanggap ng nasabing halaga ay aking inaamin at pinatutunayan, ay aking ipinagbili, inilipat at isinalin, sa pamamagitan ng bilihang tuluyan at walang pasubali a favor [sic] sa nasabing si CONSOLACION SIOSON, sa kanyang tagapagmana at mapaglilipatan ang lahat ng aking titulo, karapatan at kaparti na binubuo ng 10/70 bahaging hindi hati (10/70 porcion pro-indiviso) ng loteng descrito or tinutukoy sa itaas nito. (Emphasis supplied)

CONSOLACION immediately took possession of Lot Nos. 2-A and 2-E. She later declared the land for taxation purposes and paid the corresponding real estate taxes.[5]

On 23 October 1968, the surviving children of CANUTO, namely, Felicidad and Beatriz, executed a joint affidavit[6] ("JOINT AFFIDAVIT") affirming the KASULATAN in favor of CONSOLACION. They also attested that the lots their father had sold to CONSOLACION were Lot Nos. 2-A and 2-E of Subdivision Plan Psd 34713. The JOINT AFFIDAVIT reads:

KAMING sina FELICIDAD SIOSON at BEATRIZ SIOSON, pawang mga Pilipino, kapuwa may sapat na gulang at naninirahan, ang una sa Tanza, Navotas at ang ikalawa sa Concepcion, Malabon, lalawigan ng Rizal, sa ilalim ng isang ganap na panunumpa alinsunod sa batas, ay malayang nagsasalaysay ng mga sumusunod:

Na kami ang mga buhay na anak na naiwan ni CANUTO SIOSON na nagmamay-ari ng 10/70 bahaging hindi hati (10/70 porcion pro-indiviso) ng isang lagay na lupa (Lote No. 2, plano Psu-13245), na nasa Nayon ng Tanza, Navotas, Rizal, at ang mga palatandaan nito ay nasasaad sa Certificado Original de Titulo No. 4207 ng Tanggapan ng Registrador de Titulos ng Rizal;

Na sa lubos naming kaalaman, ay ipinagbili ng aming Ama na si Canuto Sioson ang kaniyang buong bahagi na 10/70 sa nasabing Lote No. 2, kay CONSOLACION SIOSON, may-bahay ni Ricardo S. Pascual, na taga Dampalit, Malabon, Rizal, sa halagang P2,250.00, salaping pilipino, noong ika 16 [sic] ng Septiembre, 1956, sa pamamagitan ng isang KASULATAN NG BILIHANG TULUYAN na pinagtibay sa harap ng Notario Publico Jose T. de los Santos nang pechang nabanggit, sa Navotas, Rizal, (Doc. No. 194, Page No. 84; Book No. IV; Series of 1956);

Na ang nasabing lupa na ipinagbili ng aming Ama kay Consolacion Sioson ni Pascual, ay nakikilala ngayong mga Lote No. 2-A at Lote 2-E ng Plano de Subdivision Psd-34713; na pinagtibay ng Assistant Director of Lands noong Mayo 30, 1952;

Na aming ngayong pinatitibayan ang pagka-pagbili ng bahagi ng aming Ama kay Consolacion Sioson ni Pascual ng ngayo'y nakikilalang Lote No. 2-A at Lote No. 2-E ng Plano de Subdivision Psd-34713. (Emphasis supplied)

On 28 October 1968, CONSOLACION registered the KASULATAN and the JOINT AFFIDAVIT with the Office of the Register of Deeds of Rizal ("Register of Deeds"). Based on these documents, the Register of Deeds issued to CONSOLACION Transfer Certificate of Title No. (232252) 1321 covering Lot Nos. 2-A and 2-E of Subdivision Plan Psd 34713 with a total area of 2,670 square meters.

On 4 February 1988, REMEDIOS filed a complaint against CONSOLACION and her spouse Ricardo Pascual in the Regional Trial Court of Malabon, Branch 165, for "Annulment or Cancellation of Transfer Certificate [of Title] and Damages." REMEDIOS claimed that she is the owner of Lot Nos. 2-A and 2-E because CATALINA devised these lots to her in CATALINA's last will and testament[7] ("LAST WILL") dated 29 May 1964. REMEDIOS added that CONSOLACION obtained title to these lots through fraudulent means since the area

covered by TCT (232252) 1321 is twice the size of CANUTO's share in Lot 2. REMEDIOS prayed for the cancellation of CONSOLACION's title, the issuance of another title in her name, and the payment to her of damages.

Petitioners sought to dismiss the complaint on the ground of prescription. Petitioners claimed that the basis of the action is fraud, and REMEDIOS should have filed the action within four years from the registration of CONSOLACION's title on 28 October 1968 and not some 19 years later on 4 February 1988. REMEDIOS opposed the motion, claiming that she became aware of CONSOLACION's adverse title only in February 1987. CONSOLACION maintained that she had timely filed her complaint within the four-year prescriptive on 4 February 1988.

In its order of 28 April 1988, the trial court denied petitioners' motion to dismiss. The trial court held that the reckoning of the prescriptive period for filing REMEDIOS' complaint is evidentiary in nature and must await the presentation of the parties' evidence during the trial. During the pre-trial stage, REMEDIOS clarified that she was claiming only CATALINA's 10/70 share in Lot 2, or 1,335 square meters, which constitute ½ of the area of Lot Nos. 2-A and 2-E.[8] The trial of the case then ensued.

The Ruling of the Trial Court

On 26 November 1990, the trial court rendered judgment dismissing the case and ordering REMEDIOS to pay petitioners P10,000 as attorney's fees and the cost of suit. The trial court held that the action filed by REMEDIOS is based on fraud, covered by the four-year prescriptive period. The trial court also held that REMEDIOS knew of petitioners' adverse title on 19 November 1982 when REMEDIOS testified against petitioners in an ejectment suit petitioners had filed against their tenants in Lot Nos. 2-A and 2-E. Thus, the complaint of REMEDIOS had already prescribed when she filed it on 4 February 1988.

The trial court further ruled that REMEDIOS has no right of action against petitioners because CATALINA's LAST WILL from which REMEDIOS claims to derive her title has not been admitted to probate. Under Article 838 of the Civil Code, no will passes real or personal property unless it is allowed in probate in accordance with the Rules of Court. The dispositive portion of the trial court's decision provides:

WHEREFORE, judgment is hereby rendered in favor of the defendants and against plaintiff, ordering:

- The dismissal of this case;
- The plaintiff to pay the defendants the sum of Ten Thousand (P10,000.00) Pesos as and for attorney's fees; and
- The plaintiff to pay the costs of suit.[9]

REMEDIOS appealed to the Court of Appeals.

The Ruling of the Court of Appeals

On 31 January 1994, the Court of Appeals rendered judgment reversing the decision of the trial court. The appellate court held that what REMEDIOS filed was a suit to enforce an implied trust allegedly created in her favor when CONSOLACION fraudulently registered her title over Lot Nos. 2-A and 2-E. Consequently, the prescriptive period for filing the complaint is ten years, not four. The Court of Appeals counted this ten-year period from 19 November 1982. Thus, when REMEDIOS filed her complaint on 4 February 1988, the ten-year prescriptive period had not yet expired.

The appellate court held that CATALINA's unprobated LAST WILL does not preclude REMEDIOS from seeking reconveyance of Lot Nos. 2-A and 2-E as the LAST WILL may subsequently be admitted to probate. The

dispositive portion of the appellate court's ruling provides:

WHEREFORE, the decision appealed from is REVERSED and SET ASIDE. The Registry of Deeds of Rizal or Metro Manila, District III, is ordered to place Transfer Certificate of Title No. (232252) 1321 under the name of Remedios S. Eugenio-Gino as executor of the will of Catalina Sioson and cancel the names of the Spouses Ricardo Pascual and Consolacion Sioson inscribed over said title as owners of the covered lot. Defendants-appellees spouses Ricardo Pascual and Consolacion Sioson are ordered to pay plaintiff-appellant Remedios S. Eugenio-Gino moral damages in the amount of P50,000.00, exemplary damages of P20,000[.00] and attorney's fees of P20,000.00 and P500.00 per appearance.[10]

Petitioners sought reconsideration of the ruling. However, the Court of Appeals denied their motion in its order dated 15 June 1994.

Hence, this petition.

The Issues

Petitioners allege the following assignment of errors:

- THE COURT OF APPEALS ERRED IN HOLDING THAT PRIVATE RESPONDENT'S CAUSE OF ACTION IS NOT BARRED BY PRESCRIPTION WHICH FINDING IS MANIFESTLY CONTRARY TO LAW AND THE APPLICABLE DECISIONS OF THIS HONORABLE COURT.
- THE COURT OF APPEALS ERRED IN NOT HOLDING THAT PRIVATE RESPONDENT DOES NOT HAVE ANY TITLE AND HAS UTTERLY FAILED TO PROVE ANY TITLE TO THE LOTS INVOLVED IN THIS CASE, AND IN ORDERING THE CANCELLATION OF THE CERTIFICATE OF TITLE OF PETITIONERS.
- THE COURT OF APPEALS ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION AND IN GROSS VIOLATION OF THE RULES OF COURT IN ORDERING THE ENTIRE PROPERTY COVERED BY TRANSFER CERTIFICATE OF TITLE NO. (232252) 1321 TO BE PLACED IN THE NAME OF PRIVATE RESPONDENT, BECAUSE THE CLAIM OF PRIVATE RESPONDENT IS LIMITED ONLY TO ONE-HALF (1/2) PORTION OF THE PROPERTY, AND THE OTHER HALF THEREOF UNQUESTIONABLY BELONGS TO PETITIONERS.
- THE COURT OF APPEALS ERRED IN HOLDING THAT PETITIONERS ACTED FRAUDULENTLY AND IN BAD FAITH IN SECURING THEIR CERTIFICATE OF TITLE TO THE PROPERTY INVOLVED IN THIS CASE, AND IN ORDERING PETITIONERS TO PAY PRIVATE RESPONDENTS MORAL DAMAGES, EXEMPLARY DAMAGES AND ATTORNEY'S FEES.[11]

The pivotal questions are: (1) whether prescription bars the action filed by REMEDIOS, and (2) whether REMEDIOS is a real party-in-interest.

The Ruling of the Court

The petition has merit.

The Action is Barred by Prescription

The trial court held that the action filed by REMEDIOS is one based on fraud. REMEDIOS' action seeks to recover real property that petitioners allegedly acquired through fraud. Consequently, the trial court held that the action prescribes in four years counted from REMEDIOS' actual discovery of petitioners' adverse title. The trial court concluded that REMEDIOS belatedly filed her suit on 4 February 1988 because she actually knew of petitioners' adverse title since 19 November 1982.

On the other hand, the Court of Appeals held that what REMEDIOS filed was a suit to enforce an implied trust.

REMEDIOS had ten years counted from actual notice of the breach of trust, that is, the assertion of adverse title, within which to bring her action. The appellate court held that REMEDIOS seasonably filed her complaint on 4 February 1988 because she allegedly discovered petitioners' adverse title only on 19 November 1982.

What REMEDIOS filed was an action to enforce an implied trust but the same is already barred by prescription.

Prescriptive Period is 10 Years Counted
From Registration of Adverse Title

The four-year prescriptive period relied upon by the trial court applies only if the fraud does not give rise to an implied trust, and the action is to annul a voidable contract under Article 1390[12] of the Civil Code. In such a case, the four-year prescriptive period under Article 1391[13] begins to run from the time of discovery of the mistake, violence, intimidation, undue influence or fraud.

In the present case, REMEDIOS does not seek to annul the KASULATAN. REMEDIOS does not assail the KASULATAN as a voidable contract. In fact, REMEDIOS admits the validity of the sale of 1,335 square meters of land under the KASULATAN. However, REMEDIOS alleges that the excess area of 1,335 meters is not part of the sale under the KASULATAN. REMEDIOS seeks the removal of this excess area from TCT No. (232252) 1321 that was issued to CONSOLACION. Consequently, REMEDIOS' action is for "Annulment or Cancellation of Transfer Certificate [of Title] and Damages." [14]

REMEDIOS' action is based on an implied trust under Article 1456 since she claims that the inclusion of the additional 1,335 square meters in TCT No. (232252) 1321 was without basis. In effect, REMEDIOS asserts that CONSOLACION acquired the additional 1,335 square meters through mistake or fraud and thus CONSOLACION should be considered a trustee of an implied trust for the benefit of the rightful owner of the property. Clearly, the applicable prescriptive period is ten years under Article 1144 and not four years under Articles 1389 and 1391.

It is now well-settled that the prescriptive period to recover property obtained by fraud or mistake, giving rise to an implied trust under Article 1456[15] of the Civil Code, is ten years pursuant to Article 1144.[16] This ten-year prescriptive period begins to run from the date the adverse party repudiates the implied trust, which repudiation takes place when the adverse party registers the land.[17]

REMEDIOS filed her complaint on 4 February 1988 or more than 19 years after CONSOLACION registered her title over Lot Nos. 2-A and 2-E on 28 October 1968. Unquestionably, REMEDIOS filed the complaint late thus warranting its dismissal. As the Court recently declared in *Spouses Alfredo v. Spouses Borrás*, [18] --

Following *Caro*, [19] we have consistently held that an action for reconveyance based on an implied trust prescribes in ten years. We went further by specifying the reference point of the ten-year prescriptive period as the date of the registration of the deed or the issuance of the title.

The Court of Appeals' Reckoning of
Prescriptive Period from Actual Notice
of Adverse Title Not Justified

In holding that the action filed by REMEDIOS has not prescribed, the Court of Appeals invoked this Court's ruling in *Adille v. Court of Appeals*. [20] In *Adille*, the Court reckoned the ten-year prescriptive period for enforcing implied trusts not from registration of the adverse title but from actual notice of the adverse title by the cestui que trust. However, the Court, in justifying its deviation from the general rule, explained:

[W]hile actions to enforce a constructive trust prescribes (sic) in ten years, reckoned from the date of the

registration of the property, we x x x are not prepared to count the period from such date in this case. We note the petitioner's sub rosa efforts to get hold of the property exclusively for himself beginning with his fraudulent misrepresentation in his unilateral affidavit of extrajudicial settlement that he is "the only heir and child of his mother Feliza["] with the consequence that he was able to secure title in his name also. (Emphasis supplied)

Such commission of specific fraudulent conduct is absent in the present case. Other than asserting that petitioners are guilty of fraud because they secured title to Lot Nos. 2-A and 2-E with an area twice bigger than what CANUTO allegedly sold to CONSOLACION, REMEDIOS did not present any other proof of petitioners' fraudulent conduct akin to Adille.

CONSOLACION obtained title to Lot Nos. 2-A and 2-E through the KASULATAN executed by CANUTO and the JOINT AFFIDAVIT executed by his surviving children, one of whom, Felicidad, is the mother of REMEDIOS. The KASULATAN referred to the sale of CANUTO's 10/70 share in Lot 2 without specifying the area of the lot sold. The JOINT AFFIDAVIT referred to the "Plano de Subdivision Psd-34713" without also specifying the area of the lot sold. However, Subdivision Plan Psd 34713, as certified by the Assistant Director of Lands on 30 May 1952, showed an area of 2,670 square meters in the name of CANUTO. Based on these documents, the Register of Deeds issued TCT No. (232252) 1321 to CONSOLACION covering an area of 2,670 square meters.

REMEDIOS does not assail the KASULATAN or the JOINT AFFIDAVIT as fictitious or forged. REMEDIOS even admits the authenticity of Subdivision Plan Psd 34713 as certified by the Assistant Director of Lands.[21] Moreover, REMEDIOS has not contested petitioners' claim that CANUTO doubled his share in Lot 2 by acquiring VICTORIANO's share.[22]

Plainly, the increase in the area sold from 1,335 square meters to 2,670 square meters is a glaring mistake. There is, however, no proof whatsoever that this increase in area was the result of fraud. Allegations of fraud in actions to enforce implied trusts must be proved by clear and convincing evidence.[23] Adille, which is anchored on fraud,[24] cannot apply to the present case.

At any rate, even if we apply Adille to this case, prescription still bars REMEDIOS' complaint. As executrix of CATALINA's LAST WILL, REMEDIOS submitted to the then Court of First Instance of Caloocan in Special Proceedings Case No. C-208 the inventory of all the property comprising CATALINA's estate, which included Lot Nos. 2-A and 2-E. In a motion dated 7 November 1977, CONSOLACION sought the exclusion of these lots from the inventory, invoking her title over them. REMEDIOS was served a copy of the motion on 8 November 1977 against which she filed an opposition. Nevertheless, the trial court overruled REMEDIOS' objection. In its order of 3 January 1978, the trial court granted CONSOLACION's motion and ordered the exclusion of Lot Nos. 2-A and 2-E from the estate of CATALINA. REMEDIOS did not appeal from this ruling.

REMEDIOS thus had actual notice of petitioners' adverse title on 8 November 1977. Even if, for the sake of argument, the ten-year prescriptive period begins to run upon actual notice of the adverse title, still REMEDIOS' right to file this suit has prescribed. REMEDIOS had until 11 November 1987 within which to file her complaint. When she did so on 4 February 1988, the prescriptive period had already lapsed.

Respondent is Not a Real Party-in-Interest

Not only does prescription bar REMEDIOS' complaint. REMEDIOS is also not a real party-in-interest who can file the complaint, as the trial court correctly ruled.

The 1997 Rules of Civil Procedure require that every action must be prosecuted or defended in the name of the real party-in-interest who is the party who stands to benefit or suffer from the judgment in the suit.[25] If one who is not a real party-in-interest brings the action, the suit is dismissible for lack of cause of action.[26]

REMEDIOS anchored her claim over Lot Nos. 2-A and 2-E (or over its one-half portion) on the devise of these lots to her under CATALINA's LAST WILL. However, the trial court found that the probate court did not issue any order admitting the LAST WILL to probate. REMEDIOS does not contest this finding. Indeed, during the trial, REMEDIOS admitted that Special Proceedings Case No. C-208 is still pending.[27]

Article 838 of the Civil Code states that "[N]o will shall pass either real or personal property unless it is proved and allowed in accordance with the Rules of Court." This Court has interpreted this provision to mean, "until admitted to probate, [a will] has no effect whatever and no right can be claimed thereunder." [28] REMEDIOS anchors her right in filing this suit on her being a devisee of CATALINA's LAST WILL. However, since the probate court has not admitted CATALINA's LAST WILL, REMEDIOS has not acquired any right under the LAST WILL. REMEDIOS is thus without any cause of action either to seek reconveyance of Lot Nos. 2-A and 2-E or to enforce an implied trust over these lots.

The appellate court tried to go around this deficiency by ordering the reconveyance of Lot Nos. 2-A and 2-E to REMEDIOS in her capacity as executrix of CATALINA's LAST WILL. This is inappropriate because REMEDIOS sued petitioners not in such capacity but as the alleged owner of the disputed lots. Thus, REMEDIOS alleged in her complaint:

- The plaintiff is a niece and compulsory heir of the late CATALINA SIOSON who died single and without any child of her own and who, during her lifetime, was the owner of those two (2) parcels of land located at Tanza, Navotas, Rizal (now Metro Manila), formerly covered by Original Certificate of Title No. 4207 of the Registry of Deeds for the Province of Rizal, x x x.
- The plaintiff, aside from being the compulsory heir of the deceased CATALINA SIOSON, has sole and exclusive claim of ownership over the above-mentioned two (2) parcels of land by virtue of a will or "Huling Habilin at Pagpapasiya" executed by Catalina Sioson on May 19, 1964 before Notary Public Efren Y. Angeles at Navotas, Rizal, in which document the deceased Catalina Sioson specifically and exclusively bequeathed to the plaintiff the above-mentioned Lots 2-A and 2-E of Psd-34713 approved by the Bureau of Lands on May 30, 1952. Copy of the "Huling Habilin at Pagpapasiya" consisting of four (4) pages is hereto attached and forms an integral part hereof as Annex "A;"
- Sometime on or about February, 1987, plaintiff discovered that the above-mentioned Lots 2-A and 2-E of subdivision plan Psd-34713 are now registered or titled in the name of the defendants under Transfer Certificate of Title No. (232252) 1321 of the Registry of Deeds of Rizal, now Metro-Manila District III. Copy of the title is hereto attached and forms an integral part hereof as Annex "B;"
- Upon further inquiry and investigation, plaintiff discovered that the defendants were able to obtain title in their name of the said parcels of land by virtue of a "Kasulatan ng Bilihang Tuluyan" allegedly executed by Canuto Sioson on September 26, 1956 before Notary Public Jose [T.] de los Santos of Navotas, Metro-Manila. Copy of the said document is hereto attached and forms an integral part hereof as Annex "C;"
- The plaintiff also discovered that although x x x the original sale did not specify the parcels of land sold by Canuto Sioson, the defendants submitted an alleged Affidavit executed by Felicidad Sioson and Beatriz Sioson identifying the lots sold by Canuto Sioson to the defendants as Lots 2-A and 2-E of subdivision plan Psd-34713. Copy of the Affidavit dated October 3, 1968 on the basis of which the present Transfer Certificate of Title No. (232252) 1321 was issued to the defendants is hereto attached and forms an integral part hereof as Annex "D;"
- The defendants are clearly guilty of fraud in presenting the aforementioned Affidavit (Annex "D") to the Register of Deeds as the basis of their claim to Lots 2-A and 2-E in view of the fact that the parcels sold to them by Canuto Sioson, assuming there was such a sale, were different parcels of land, Lots 2-A and 2-E being the properties of the late Catalina Sioson who bequeathed the same to the plaintiff.

x x x x

- Because of the defendants' fraudulent actuations on this matter, plaintiff suffered and continuous [sic] to suffer moral damages arising from anxiety, shock and wounded feelings. Defendants should also be assessed exemplary damages by way of a lesson to deter them from again committing the fraudulent acts, or acts of similar nature, by virtue of which they were able to obtain title to the parcels of land involved in this case x x x.[29] (Emphasis supplied)

Indeed, all throughout the proceedings below and even in her Comment to this petition, REMEDIOS continued to pursue her claim as the alleged owner of one-half of the disputed lots.

Other Matters Raised in the Petition

The Court deems it unnecessary to pass upon the other errors petitioners assigned concerning the award of damages and attorneys fees to REMEDIOS. Such award assumes that REMEDIOS is a real party-in-interest and that she timely filed her complaint. As earlier shown, this is not the case.

WHEREFORE, we GRANT the petition. The Decision of the Court of Appeals dated 31 January 1994 and its Resolution dated 15 June 1994 are SET ASIDE. The complaint filed by respondent Remedios Eugenio-Gino, dated 2 February 1988 is DISMISSED.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Vitug, Ynares-Santiago and Azcuna, JJ., concur.

[1] Penned by Justice Corona Ibay-Somera, with Justices Nathanael P. De Pano, Jr., and Asaali S. Isnani concurring.

[2] OCT No. 4207 indicates the sharing of the co-owners as follows:

Simeon Sioson

10/70

Victoriano Sioson

10/70

Catalina Sioson

10/70

Fermina Sioson

10/70

Canuto Sioson

10/70

Calixto Sioson

5/70

Felipe Sioson

5/70

Marciana Gabriel

2/70

Isabelo Gabriel

2/70

Margarito Gabriel

2/70

Susana Gabriel

2/70

Emilio Gabriel

2/70

[3] Subdivision Plan Psd 34713 Lot 2 subdivided the remaining portion of Lot 2 as follows:

Fermina Sioson

Lot 2-D, 670 sq. meters

Lot 2-H, 2003 sq. meters

Calixto Sioson

Lot 2-F, 500 sq. meters

Esteban Sioson

Lot 2-G, 2,499 sq. meters

Lot 2-C, 837 sq. meters

[4] Exhibit "7" for Petitioners.

[5] Exhibit "9" for Petitioners.

[6] Exhibit "8" for Petitioners.

[7] Huling Habilin at Pagpapasiya, Exhibit "A" for Respondent.

[8] Records, p. 70.

[9] Rollo, p. 71.

[10] Ibid., p. 45.

[11] Ibid., p. 11.

[12] Article 1390 of the Civil Code provides: "The following contracts are voidable or annulable, even though there may have been no damage to the contracting parties:

(1) x x x

(2) Those where the consent is vitiated by mistake, violence, intimidation, undue influence or fraud.

x x x."

[13] Article 1391 of the Civil Code provides: "The action for annulment shall be brought within four years. This period shall begin: x x x In case of mistake or fraud, from the time of the discovery of the same."

[14] Records, p. 1.

[15] Article 1456 of the Civil Code provides: "If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes."

[16] Article 1144 of the Civil Code provides: "The following actions must be brought within ten years from the time the right of action accrues:

(1) x x x

(2) Upon an obligation created by law;

(3) x x x."

[17] Spouses Alfredo v. Spouses Borrás, G.R. No. 144225, 17 June 2003; Vda. de Delgado v. Court of Appeals, 416 Phil. 263 (2001); Villanueva-Mijares v. Court of Appeals, 386 Phil. 555 (2000); David v. Malay, 376 Phil. 825 (1999); Heirs of Joaquin Teves v. Court of Appeals, 375 Phil. 96 (1999); Lebrilla v. Intermediate Appellate

Court, G.R No. 72623, 18 December 1989, 180 SCRA 188; Villagonzalo v. Intermediate Appellate Court, G.R No. L-71110, 22 November 1988, 167 SCRA 535; Carantes v. Court of Appeals, G.R No. L-33360, 25 April 1977, 76 SCRA 514.

[18] G.R. No. 144225, 17 June 2003.

[19] Caro v. Court of Appeals, G.R. No. 76148, 20 December 1989, 180 SCRA 401.

[20] G.R. No. L-44546, 29 January 1988, 157 SCRA 455.

[21] Rollo, pp. 169-170.

[22] Rollo, pp. 9, 20.

[23] Jaramil v. Court of Appeals, G.R. No. L-31858, 31 August 1977, 78 SCRA 420.

[24] Samonte v. Court of Appeals, 413 Phil. 487 (2001).

[25] Rule 3, Sec. 2.

[26] Sustiguer v. Tamayo, G.R No. 29341, 21 August 1989, 176 SCRA 579.

[27] TSN, 17 March 1989, p. 15 (Remedios Eugenio-Gino).

[28] Cañiza v. Court of Appeals, G.R No. 110427, 24 February 1997, 68 SCRA 640.

[29] Records, pp.1-3.

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