

**RESTITUTA LEONARDO, ASSISTED BY JOSE T. RAMOS, PETITIONERS,
VS. COURT OF APPEALS, AND TEODORO SEBASTIAN, VICENTE
SEBASTIAN, CORAZON SEBASTIAN, ASSISTED BY ANDRES MARCELO;
PEDAD ...**

G.R. No. 125485. September 13, 2004

Ponente: CORONA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-125485/>

CORONA, J.:

This is a petition for review under Rule 45 of the Rules of Court seeking to reverse and set aside the decision[1] of the Court of Appeals which in turn affirmed the judgment[2] of Branch 57, Regional Trial Court (RTC) of San Carlos City, dismissing for lack of cause of action the complaint filed by petitioner against private respondents for declaration of nullity of the extrajudicial settlement of the estate of Jose Sebastian and Tomasina Paul.

Petitioner Restituta Leonardo is the only legitimate child of the late spouses Tomasina Paul and Balbino Leonardo. Private respondents Teodoro, Victor, Corazon, Piedad, as well as the late Eduvigis and Dominador, all surnamed Sebastian, are the illegitimate children of Tomasina with Jose Sebastian after she separated from Balbino Leonardo.

In an action to declare the nullity of the extrajudicial settlement of the estate of Tomasina Paul and Jose Sebastian before Branch 57, RTC of San Carlos City, Pangasinan, petitioner alleged that, on June 24, 1988, at around 5:00 p.m., private respondent Corazon Sebastian and her niece Julieta Sebastian, and a certain Bitang, came to petitioner's house to persuade her to sign a deed of extrajudicial partition of the estate of Tomasina Paul and Jose Sebastian. Before signing the document, petitioner allegedly insisted that they wait for her husband Jose Ramos so he could translate the document which was written in English. Petitioner, however, proceeded to sign the document even without her husband and without reading the document, on the assurance of private respondent Corazon Sebastian that petitioner's share as a legitimate daughter of Tomasina Paul was provided for in the extrajudicial partition. Petitioner then asked private respondent Corazon and her companions to wait for her husband so he could read the document. When petitioner's husband arrived, however, private respondent Corazon and her companions had left without leaving a copy of the document. It was only when petitioner hired a lawyer that they were able to secure a copy and read the contents thereof.

Petitioner refuted[3] private respondents' claim that they were the legitimate children and sole heirs of Jose Sebastian and Tomasina Paul. Despite the (de facto) separation of petitioner's father Balbino Leonardo and Tomasina Paul, the latter remained the lawful wife of Balbino. Petitioner maintained that no joint settlement of the estate of Jose Sebastian and Tomasina Paul could be effected since what existed between them was co-ownership, not conjugal partnership. They were never married to each other. The extrajudicial partition was therefore unlawful and illegal.

Petitioner also claimed that her consent was vitiated because she was deceived into signing the extrajudicial settlement. She further denied having appeared before Judge Juan Austria of the Municipal Trial Court (MTC) of

Urbiztondo, Pangasinan on July 27, 1988 to acknowledge the execution of the extrajudicial partition.

Private respondents, in their answer with counterclaim,[4] raised the defense of lack of cause of action. They insisted that the document in question was valid and binding between the parties. According to them, on July 27, 1988, they personally appeared before Judge Austria of the MTC of Urbiztondo, who read and explained the contents of the document which all of them, including petitioner, voluntarily signed.

Private respondents contended that their declaration that they were legitimate children of Jose Sebastian and Tomasina Paul did not affect the validity of the extrajudicial partition. Petitioner's act of signing the document estopped her to deny or question its validity. They moreover averred that the action filed by petitioner was incompatible with her complaint. Considering that petitioner claimed vitiation of consent, the proper action was annulment and not declaration of nullity of the instrument.

On July 27, 1989, petitioner filed an amended complaint[5] to include parties to the extrajudicial partition who were not named as defendants in the original complaint.

During the August 23, 1990 pre-trial conference,[6] no amicable settlement was reached and the parties agreed that the only issue to be resolved was whether petitioner's consent to the extrajudicial partition was voluntarily given.

In a decision dated February 22, 1993, the RTC of San Carlos City, Pangasinan rendered a decision[7] dismissing the complaint as well as the counterclaim. The court a quo ruled that the element of duress or fraud that vitiates consent was not established and that the proper action was the reformation of the instrument, not the declaration of nullity of the extrajudicial settlement of estate. By way of obiter dictum, the trial court stated that, being a legitimate child, petitioner was entitled to one-half (or 19,282.5 sq.m.) of Tomasina Paul's estate as her legitime. The 7,671.75 square meters allotted to her in the assailed extrajudicial partition was therefore less than her correct share as provided by law.

On appeal, the Court of Appeals affirmed the judgment of the trial court in its May 23, 1996 decision.[8] Hence, this petition for review on certiorari under Rule 45.

The sole issue in this case is whether the consent given by petitioner to the extrajudicial settlement of estate was given voluntarily.

We hold that it was not.

The essence of consent is the agreement of the parties on the terms of the contract, the acceptance by one of the offer made by the other. It is the concurrence of the minds of the parties on the object and the cause which constitutes the contract.[9] The area of agreement must extend to all points that the parties deem material or there is no consent at all.[10]

To be valid, consent must meet the following requisites: (a) it should be intelligent, or with an exact notion of the matter to which it refers; (b) it should be free and (c) it should be spontaneous. Intelligence in consent is vitiated by error; freedom by violence, intimidation or undue influence; and spontaneity by fraud.[11]

In determining the effect of an alleged error, the courts must consider both the objective and subjective aspects of the case which is the intellectual capacity of the person who committed the mistake.[12]

Mistake, on the other hand, in order to invalidate consent "should refer to the substance of the thing which is the object of the contract, or to those conditions which have principally moved one or both parties to enter into the contract." [13]

According to the late civil law authority, Arturo M. Tolentino, the (old) rule that a party is presumed to know the import of a document to which he affixes his signature and is bound thereby, has been altered by Art. 1332 of the Civil Code. The provision states that “[w]hen one of the parties is unable to read, or if the contract is in a language not understood by him, and mistake or fraud is alleged, the person enforcing the contract must show that the terms thereof have been fully explained to the former.”

Article 1332 was a provision taken from American law, necessitated by the fact that there continues to be a fair number of people in this country without the benefit of a good education or documents have been written in English or Spanish.[14] The provision was intended to protect a party to a contract disadvantaged by illiteracy, ignorance, mental weakness or some other handicap. It contemplates a situation wherein a contract is entered into but the consent of one of the contracting parties is vitiated by mistake or fraud committed by the other.[15]

Thus, in case one of the parties to a contract is unable to read and fraud is alleged, the person enforcing the contract must show that the terms thereof have been fully explained to the former.[16] Where a party is unable to read, and he expressly pleads in his reply that he signed the voucher in question “without knowing (its) contents which have not been explained to him,” this plea is tantamount to one of mistake or fraud in the execution of the voucher or receipt in question and the burden is shifted to the other party to show that the former fully understood the contents of the document; and if he fails to prove this, the presumption of mistake (if not fraud) stands un rebutted and controlling.[17]

Contracts where consent is given by mistake or because of violence, intimidation, undue influence or fraud are voidable.[18] These circumstances are defects of the will, the existence of which impairs the freedom, intelligence, spontaneity and voluntariness of the party in giving consent to the agreement. In determining whether consent is vitiated by any of the circumstances mentioned in Art. 1330 of the Civil Code, courts are given a wide latitude in weighing the facts or circumstances in a given case and in deciding in favor of what they believe actually occurred, considering the age, physical infirmity, intelligence, relationship and the conduct of the parties at the time of making the contract and subsequent thereto, irrespective of whether the contract is in a public or private writing.[19]

Although under Art. 1332 there exists a presumption of mistake or error accorded by the law to those who have not had the benefit of a good education, one who alleges any defect or the lack of a valid consent to a contract must establish the same by full, clear and convincing evidence, not merely by preponderance of evidence.[20] Hence, even as the burden of proof shifts to the defendants to rebut the presumption of mistake, the plaintiff who alleges such mistake (or fraud) must show that his personal circumstances warrant the application of Art. 1332.

In this case, the presumption of mistake or error on the part of petitioner was not sufficiently rebutted by private respondents. Private respondents failed to offer any evidence to prove that the extrajudicial settlement of estate was explained in a language known to the petitioner, i.e. the Pangasinan dialect. Clearly, petitioner, who only finished Grade 3, was not in a position to give her free, voluntary and spontaneous consent without having the document, which was in English, explained to her in the Pangasinan dialect. She stated in open court that she did not understand English. Her testimony, translated into English, was as follows:

Q:

While you were there is your house at barangay Angatel, Urbiztondo, Pangasinan, what happened?

A:

On June 24, 1988, I was in our house because I got sick, sir.

Q:

What happened?

A:

When the time was about 5:00 o'clock, I was awoken by my daughter-in-law, Rita Ramos, and told me that my half sister Corazon would like to tell us something, sir.

Q:

What did you do?

A:

I let them come in, sir.

Q:

Did they come in?

A:

Yes, sir.

Q:

Who was the companion of your half sister Corazon Sebastian when she arrived in your house?

A:

Julita Sebastian and her daughter Bitang, sir.

Q:

And who is this Julita Sebastian to you?

A:

She is my niece, sir.

Q:

And then when they got inside the house, what happened?

A:

I asked them their purpose, sir.

Q:

Did they tell you their purpose?

A:

I asked their purpose in coming to our house and they told me, "I came here because I have a partition executed so that the share of each one of us will be given", she said sir.

Q:

Did you see that document?

A:

Yes, sir.

ATTY. L. TULAGAN

Q:

Did you read the document?

A:

No, sir because I was waiting for my husband to have that document read or translated to me because I could not understand, sir.

Q:

What could you not understand?

A:

I can not understand English, sir.

Q:

But anyway, can you read?

A:

Yes, sir in Pangasinan.

Q:

Now, that document which according to you was brought by your half sister Corazon Sebastian, what happened to that document?

A:

Corazon Sebastian request(ed) me to sign, sir.

Q:

Did you sign immediately?

A:

Yes, sir, because according to her, all my shares were embodied in that document as a legal daughter.[21]

Petitioner's wish to wait for her husband, Jose T. Ramos, to explain to her the contents of the document in the Pangasinan dialect was a reasonable and prudent act that showed her uncertainty over what was written. Due to her limited educational attainment, she could not understand the document in English. She wanted to seek assistance from her husband who was then out of the house. However, due to the misrepresentation, deception and undue pressure of her half-sister Corazon Sebastian, petitioner signed the document. Corazon assured petitioner that she would receive her legitimate share in the estate of their late mother.

Later on, when petitioner's husband examined the extrajudicial partition agreement, he found out that petitioner was deprived of her full legitime. Under the law, petitioner's share should have been one-half of her mother's estate, comprising a total area of 19,282.50 square meters. Under the defective extrajudicial settlement of estate, however, petitioner was to receive only 7,671.75 square meters. This was a substantial mistake clearly prejudicial to the substantive interests of petitioner in her mother's estate. There is no doubt that, given her lack of education, petitioner is protected by Art. 1332 of the Civil Code. There is reason to believe that, had the provisions of the extrajudicial agreement been explained to her in the Pangasinan dialect, she would not have consented to the significant and unreasonable diminution of her rights.

MTC Judge Austria, the officer who notarized the extrajudicial settlement, stated that he explained the contents to all the parties concerned. Granting *arguendo*, however, that Judge Austria did indeed explain the provisions of the agreement to them, the records do not reflect that he explained it to petitioner in a language or dialect known to her. Judge Austria never stated in his testimony before the court *a quo* what language or dialect he used in explaining the contents of the document to the parties.[22] Significantly, he was not even certain if the parties to the agreement were present during the notarization of the document:

ATTY. TULAGAN

Q:

Reflected upon all the pages of this Exhibit "1" are numerous signatures, two of whom belongs (sic) to Piedad Paul Sebastian and Eduardo Sebastian Tenorlas.

ATTY. D. TULAGAN
(continuing)

The Philippines on July, 1989, will you please educate us now Judge Austria on this document?

ATTY. O. DE GUZMAN

That will be improper, your Honor.

COURT

What is the question, you repeat the question.

INTERPRETER:

“Reflected upon all the pages of this Exhibit “1” are numerous signatures, two of whom belongs (sic) to Piedad Paul Sebastian and Eduardo Sebastian Tenorlas, in your just concluded testimony, you said that everyone of them appeared with you, we have here a documented evidence coming from the Department of Justice, Bureau of Immigration and Deportation, Manila, certifying that Piedad Paul Sebastian and Eduardo Sebastian Tenorlas did not arrive in the Philippines or departed from the Philippines on July, 1998, will you please educate us now Judge Austria on this document?

ATTY. O. DE GUZMAN:

Your Honor please, before the witness answer, may we examine the certification first and may we state for the record that the month of July, 1998 does not specify any date.

ATTY. L. TULAGAN:

July.

ATTY. O. DE GUZMAN:

But not a particular date, for the record.

ATTY. L. TULAGAN:

For the whole month of July, no departure and no arrival. This is a certificate from the Bureau of Immigration, Manila. I do not know about this, as a matter of fact, I do not even know this person personally

WITNESS:

Somebody that kind of name appeared before me.

ATTY. L. TULAGAN:

Q:

Since you do not know everybody from Urbiztondo, Pangasinan it is possible that another person appeared and signed for that name?

A:

Yes, possible.[23]

Therefore, the presumption of mistake under Article 1332 is controlling, having remained unrebutted by private respondents. The evidence proving that the document was not fully explained to petitioner in a language known to her, given her low educational attainment, remained uncontradicted by private respondents. We find that, in the light of the circumstances presented by the testimonies of the witnesses for both parties, the consent of petitioner was invalidated by a substantial mistake or error, rendering the agreement voidable. The extrajudicial partition between private respondents and petitioner should therefore be annulled and set aside on the ground of mistake.

In *Rural Bank of Caloocan, Inc. v. Court of Appeals*,^[24] we ruled that a contract may be annulled on the ground of vitiated consent, even if the act complained of is committed by a third party without the connivance or complicity of one of the contracting parties. We found that a substantial mistake arose from the employment of fraud or misrepresentation. The plaintiff in that case was a 70-year-old unschooled and unlettered woman who signed an unauthorized loan obtained by a third party on her behalf. The Court annulled the contract due to a substantial mistake which invalidated her consent.

By the same reasoning, if it is one of the contracting parties who commits the fraud or misrepresentation, such contract may all the more be annulled due to substantial mistake.

In *Remalante v. Tibe*,^[25] this Court ruled that misrepresentation to an illiterate woman who did not know how to read and write, nor understand English, is fraudulent. Thus, the deed of sale was considered vitiated with substantial error and fraud. This Court further held:^[26]

Since it has been established by uncontradicted evidence that the plaintiff is practically unschooled and illiterate, not knowing how to read, write and understand the English language in which Exhibit 22 was drafted, it would have been incumbent upon the defendant to show that the terms there of have been fully explained to the plaintiff. The evidence is entirely lacking at this point, and the lack of it is fatal to the cause of the defendant for his failure to discharge the burden of proof.

Generally, the remedy of appeal by certiorari under Rule 45 of the Rules of Court contemplates only questions of law and not issues of fact.^[27] This rule, however, is inapplicable in cases such as the one at bar where the factual findings complained of are absolutely devoid of support in the records or the assailed judgment of the appellate court is based on a misapprehension of facts.^[28] Thus, this case is an exception to the general rule on the conclusiveness of facts, the evidence pointing to no other conclusion but the existence of vitiated consent, given the diminished intellectual capacity of the petitioner and the misrepresentation of private respondent Corazon Sebastian on the contents of the extrajudicial partition.

Private respondents also maintain that petitioner has no cause of action since the remedy that should be pursued is an action for annulment and not for declaration of nullity. Private respondents therefore pray for the dismissal of this petition on the ground of lack of cause of action.

Before ruling on this procedural matter, a distinction between an action for annulment and one for declaration of nullity of an agreement is called for.

An action for annulment of contract is one filed where consent is vitiated by lack of legal capacity of one of the contracting parties, or by mistake, violence, intimidation, undue influence or fraud.^[29] By its very nature, annulment contemplates a contract which is voidable, that is, valid until annulled. Such contract is binding on all the contracting parties until annulled and set aside by a court of law. It may be ratified. An action for annulment of contract has a four-year prescriptive period.^[30]

On the other hand, an action for declaration of nullity of contract presupposes a void contract or one where all of the requisites prescribed by law for contracts are present but the cause, object or purpose is contrary to law, morals, good customs, public order or public policy, prohibited by law or declared by law to be void.^[31] Such contract as a rule produces no legal and binding effect even if it is not set aside by direct legal action. Neither may it be ratified. An action for the declaration of nullity of contract is imprescriptible.^[32]

The petitioner's pleading was for the declaration of nullity of the extrajudicial settlement of estate. However, this did not necessarily mean the automatic dismissal of the case on the ground of lack of cause of action.

Granting that the action filed by petitioner was incompatible with her allegations, it is not the caption of the pleading but the allegations that determine the nature of the action.^[33] The court should grant the relief warranted by the allegations and the proof even if no such relief is prayed for.^[34] In this case, the allegations in the pleading and the evidence adduced point to no other remedy but to annul the extrajudicial settlement of estate because of vitiated consent.

WHEREFORE, the decision of the Court of Appeals dated 23 May 1996 is hereby REVERSED. The extrajudicial settlement of the estate of Tomasina Paul and Jose Sebastian is hereby ANNULLED and SET ASIDE. No cost.

SO ORDERED.

Panganiban, (Chairman), and Sandoval-Gutierrez, JJ., concur.
Carpio-Morales, J., on official leave.

[1] Penned by Associate Justice Alfredo L. Benipayo (now Solicitor General), concurred in by Associate Justices Buenaventura J. Guerrero and Romeo A. Brawner of the Tenth Division.

[2] Penned by Executive Judge Bonifacio O. Bueno; Rollo, pp. 32-36.

[3] Records, pp. 1-4.

[4] Records, pp. 21-25.

[5] Records, pp. 47-52.

[6] Records, pp. 241-242.

[7] Rollo, pp. 32-36.

[8] Rollo, pp. 12-17.

[9] Tolentino, Commentaries and Jurisprudence on the Civil Code of the Philippines (Vol. 4, 1997) at 447 citing 8 Manresa 648 and 4 Sanchez Roman 191.

[10] Id. citing A. Magsaysay, Inc. sv. Cebu Portland Cement Co., 53 O.G. 663 (1957).

[11] Id. at 475 citing 8 Manresa 663.

[12] Id. citing Muñoz, p. 400.

[13] Art. 1331, Civil Code.

[14] Id. See Code Commission at 136.

[15] Hemedes vs. Court of Appeals, 316 SCRA 347 [1999].

[16] Arriola vs. Mahilum, 337 SCRA 464 [2000].

[17] Id. citing cases.

[18] Art. 1330, Civil Code.

[19] Tolentino at 476, citing cases.

[20] Cenido vs. Apacionado, 318 SCRA 688 [1999].

[21] TSN, July 17, 1991, pp. 4-5.

[22] TSN, September 22, 1992, pp. 50-57.

[23] TSN, September 22, 1992, pp. 54-56.

[24] 104 SCRA 151 [1981].

[25] 158 SCRA 138 [1988].

[26] Id.

[27] Batingal vs. Court of Appeals, 351 SCRA 60 [2001].

[28] Magellan Capital Management Corporation vs. Zosa, 355 SCRA 157 [2001].

[29] Art. 1390, Civil Code.

[30] Art. 1391, Civil Code.

[31] Art. 1409, Civil Code.

[32] Art. 1410, Civil Code.

[33] Almuete vs. Andres, 369 SCRA 619 [2001].

[34] Ras vs. Sua, G.R. No. L-23302, 25 September 1968.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.