

HEIRS OF FORTUNATA MUYALDE, NAMELY, ARTURO, TRINIDAD, FELICIDAD AND DOROTEA, ALL SURNAMED MUYALDE, PETITIONERS, VS. BONIFACIO REYES, JR., RESPONDENT.

G.R. No. 173354. July 28, 2008

Ponente: CARPIO MORALES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-173354/>

CARPIO MORALES, J.:

The sisters Fortunata R. Muyalde (Fortunata), Cresencia R. Reyes (Cresencia) and Felicidad Revilla (Felicidad) inherited a commercial lot from their brother Aquilino Revilla. Felicidad died without any heir.

It appears that in an agreement entitled "Compromise Agreement" executed on June 10, 1996, Cresencia, mother of herein respondent Bonifacio Reyes, Jr., agreed to give to her sister Fortuna's six children Gertrudes Muyalde Marzan - herein petitioners Trinidad Muyalde Solis, Felicidad Muyalde, and Arturo Muyalde and their other siblings - one-third of a lot co-owned by Cresencia, Fortunata, and Felicidad, containing 2,233 square meters located in Urdaneta City which was registered under TCT No. 19209 in the name of Cresencia and her husband Bonifacio Reyes, Sr.

It further appears that on August 4, 2003, the herein petitioners-heirs of Fortuna filed a complaint for Partition before the Regional Trial Court of Urdaneta, docketed as Civil Case No. U-7846 against herein respondent Bonifacio Reyes, Jr. The complaint was dismissed for lack of cause of action.

Subsequently or on October 30, 2003, petitioners filed a complaint also against respondent, for "Ownership, Reformation of instrument, Partition and Delivery of Share," docketed as Civil Case No. U-7952 before the Urdaneta RTC. To the complaint, respondent filed a motion to dismiss on the grounds of *res judicata* and failure to state a cause of action.

By Order[1] of May 14, 2004, Branch 48 of the Urdaneta City RTC brushed aside respondent's allegation of *res judicata* as Civil Case No. U-7846 was not decided on the merits. The trial court dismissed the complaint, however, on three grounds: 1) "petitioners' actions . . . had not been sufficiently laid"; 2) "partition may be premature unless . . . the parties had already agreed [on] the extent of their participation in the land," and 3) petitioners' lack of personality to sue.

Thus the RTC held:

The allegations of the complaint clearly show that plaintiff's bone of contention is their alleged mistake in the Compromise Agreement as their true intention was not expressed therein. Plaintiffs, in fact, insist on the reformation of the said agreement in order to reflect their correct share in the subject realty. Obviously, they are not questioning defendant's ownership nor have they raised any ground to resist defendant's claim of ownership. Hence, plaintiff's actions for ownership, partition and delivery of share had not been sufficiently laid. Moreover, at this point, partition may be premature unless, and until, the parties had already agreed to the extent of their participation in the land in question (sic).

Finally, as to plaintiff's action for reformation, it is inconceivable how at this point reformation could be achieved considering that Cresencia Reyes, one of the parties to the [Compromise A]greement, died already and the defendant, Cresencia's heir, was never a party to the said agreement while two of [Fortunata's] heirs were not, likewise, made parties thereto. Verily, the said heirs lacked personality to sue herein defendant, both not being parties to the case. Thus, lack of personality to sue can be used as a ground for a motion to dismiss based on the fact that the complaint, on the face thereof, evidently states no cause of action. x x x Moreover, we can never discover the true intention of Cresencia Reyes.[2] (Emphasis and underscoring supplied)

Petitioners later filed on June 3, 2004 a Motion to Admit Amended Complaint.[3] The following day or on June 4, 2004, petitioners having received a copy of the RTC's May 14, 2004 Order, filed a Motion for Reconsideration of the trial court's May 14, 2004 Order.[4] The RTC denied the Motion for Reconsideration by Order[5] of August 30, 2004.

Petitioners thereupon filed a Notice of Appeal[6] before the RTC. Respondent also filed before the RTC a Motion to Dismiss Appeal,[7] followed by two supplemental motions,[8] citing, among other things, petitioners' failure to pay the appellate docket fees within the reglementary period.

In their Comment-Opposition to the Motion to Dismiss Appeal filed with the RTC,[9] petitioners pleaded for a liberal application of the rules, alleging that:

x x x x

On the non-payment of docket and other fees within the period of taking an appeal, it is true that plaintiffs paid the more than P4,000 fees about 10 days late. The reason for this is because when plaintiff Arturo Muyalde went to pay the same he had only P1,000 cash on hand as he was not aware of the increased fees which took effect on 16 August 2004 but which could be implemented only by the clerk of court in Urdaneta City in the last week of August 2004. He tried though to raise the money and ultimately was able to pay the full amount of the docket and other fees.[10] (Emphasis and underscoring supplied)

By Order[11] of January 20, 2005, the RTC gave due course to petitioners' appeal and ordered the elevation of the records of the case to the Court of Appeals. Passing on the belated payment by petitioners of the appellate docket and other fees, the RTC held that petitioners' momentary lack of funds, in addition to the confusion with the new rules and the fact that the fees were eventually paid in full, justified a relaxation of the Rules.[12] Respondent filed a Motion for Reconsideration[13] of the said order which was denied.[14]

Respondent thus filed a Petition for Certiorari[15] before the Court of Appeals assailing the January 20, 2005 Order of the RTC denying his Motion to Dismiss Appeal and the supplemental motions thereto. The petition was docketed as CA-G.R. SP No. 90251.

Respondent later filed before the Court of Appeals a Motion to Dismiss the Appeal, which was docketed as CA G.R. No. CV-85043,[16] proffering the same grounds on which he anchored his petition for certiorari - CA G.R. SP NO. 90251 that the appeal was perfected out of time due to the late payment of the appellate docket fees.

By Resolution[17] of October 20, 2005, the 14[th] Division of the Court of Appeals, acting on respondent's Motion to Dismiss Appeal in CA G.R. CV No. 85043, strictly applied the rule on the payment of appellate docket fees and dismissed petitioners' appeal. Petitioners' Motion for Reconsideration[18] was denied by Resolution of June 28, 2006.[19]

Subsequently, by Decision[20] of June 9, 2006, the Special Third Division of the Court of Appeals dismissed respondent's petition for certiorari in CA-G.R. No. 90251. Citing this Court's ruling in *Neypes v. Court of Appeals*,[21] the appellate court held:

x x x [T]he [petitioners] had a "fresh period" of fifteen (15) days from the receipt of the denial of their motion for reconsideration, or up to September 25, 2004, within which to perfect their appeal. With their payment of docket and other lawful fees on September 20, 2004, the [petitioners] therefore perfected their appeal within the reglementary period.[22] (Emphasis in the original; underscoring supplied)

Hence, the present Petition for Review[23] questioning the dismissal by the 14[th] Division of the Court of Appeals of their appeal as contrary to prevailing rules and jurisprudence, citing *Neypes v. Court of Appeals*.[24]

The petition is impressed with merit.

In *Neypes v. Court of Appeals*,[25] this Court, in the exercise of its "sole prerogative to amend, repeal, or even establish new rules for a more simplified and inexpensive process, and the speedy disposition of cases",[26] established the following rules:

To standardize the appeal periods provided in the Rules and to afford litigants fair opportunity to appeal their cases, the Court deems it practical to allow a fresh period of 15 days within which to file the notice of appeal in the Regional Trial Court, counted from receipt of the order dismissing a motion for a new trial or motion for reconsideration.

Henceforth, this "fresh period rule" shall also apply to Rule 40 governing appeals from the Municipal Trial Courts to the Regional Trial Courts; Rule 42 on petitions for review from the Regional Trial Courts to the Court of Appeals; Rule 43 on appeals from quasi-judicial agencies to the Court of Appeals and Rule 45 governing appeals by certiorari to the Supreme Court. The new rule aims to regiment or make the appeal period uniform, to be counted from receipt of the order denying the motion for new trial, motion for reconsideration (whether full or partial) or any final order or resolution.

x x x x

To recapitulate, a party litigant may either file his notice of appeal within 15 days from receipt of the Regional Trial Court's decision or file it within 15 days from receipt of the order (the "final order") denying his motion for new trial or motion for reconsideration. Obviously, the new 15-day period may be availed of only if either motion is filed; otherwise, the decision becomes final and executory after the lapse of the original appeal period provided in Rule 41, Section 3.[27] (Emphasis and underscoring supplied)

Neypes v. Court of Appeals was decided on September 14, 2005, during the pendency of the case at bar before the Court of Appeals. It is settled that procedural laws and rules are considered as applicable to actions pending and unresolved at the time of their passage.[28] Petitioners having received copy of the trial court's order denying their motion for reconsideration on September 10, 2004,[29] they had until September 25, 2004 to perfect their appeal. Since they paid the docket and other fees on September 20, 2004, they perfected their appeal within the reglementary period.

Even assuming *arguendo* that the appellate docket fees were not paid within the reglementary period, this Court, in *La Salette College v. Pilotin*,[30] held that the mandatory requirement of payment of appellate docket fees is qualified by the following: 1) failure to pay those fees within the reglementary period allows only discretionary, not automatic dismissal; and 2) such power should be used by the court in conjunction with its exercise of sound discretion in accordance with the tenets of justice and fair play, as well as with a great deal of circumspection in consideration of all attendant circumstances.[31] For the policy of the courts is to encourage full adjudication of the merits of an appeal.[32]

Given the circumstances which the RTC noted in giving due course to petitioners' appeal, some of which were echoed by the Special Third Division of the Court of Appeals in its Decision of June 9, 2006 dismissing respondent's petition for certiorari, the present case calls for a liberal application of the rule requiring the payment

of appellate docket fee.

On to the merits of petitioners' appeal.

In dismissing petitioners' complaint, the RTC held that, inter alia, petitioners' allegations do not make out a clear case of ownership, partition, and/or delivery of share. The complaint of petitioners alleged, however, that they are heirs of Fortunata who, together with her siblings Felicidad and respondent's mother Crescencia, co-owned the land in question.[33] That explains why petitioners do not question respondent's ownership, what they question being his and their respective shares in the co-owned lot.[34]

As for the RTC's finding that reformation of the "Compromise Agreement" would not lie as respondent's mother Crescencia had died, the same is erroneous. For contracts take effect between the parties and their assigns and heirs like respondent.[35]

On the RTC's observation that some of petitioners' siblings-co-heirs were not parties to the "Compromise Agreement," the following provisions of said agreement show otherwise:

CRESENCIA R. REYES, of legal age, Filipino, widow and a resident of 26 Ambrosio St., Urdaneta, Pangasinan, to be known herein after as the FIRST PARTY,

-and-

GERTRUDES M. MARZAN, TRINIDAD M. SOLIS,[36] both widow[ed], and ARTURO R. MUYALDE, married to Wilma Soy, all of legal age, Filipinos and residents of Bayabas St., Urdaneta, Pangasinan, to be known hereinafter as the SECOND PARTY,

W I T N E S S E T H :

- That, the FIRST PARTY is the legitimate sister of FORTUNATA REVILLA who died in July, 1993 in Urdaneta, Pangasinan, leaving as her sole children and heirs the SECOND PARTY together with FELICIDAD MUYALDE, married to Dominador Agustin and resides at #246 Baser St., Mangahan, Quezon City; VERONICA MUYALDE and DOROTEA MUYALDE who are both single and presently reside at #31151 Birkdale Way, Hayward, California, USA 94544 and #522 Ashleigh Road, Fairfax VA 22030 USA, respectively;

- That the late AQUILINO REVILLA died without any issue at the time of his death was the legitimate owner of that parcel of residential [land] situated in Urdaneta, Pangasinan and identified as Lot 378, registered in his name under Transfer Certificate of Title No. 17300P, and subsequently, thereafter with the execution of an affidavit of self-adjudication the same was cancelled and Transfer Certificate of Title No. 19209, i.e. in the name of Bonifacio Reyes, now deceased, and Crescencia Revilla, who is the one referred to above as the FIRST PARTY, subject to Se[c]. 4, Rule 74 of the New Rules of Court;

- That, actually the legitimate heirs of Aquilino Revilla are his two sisters, namely, Fortunata Revilla and the [FIRST] PARTY;

- To avoid court litigation and in order that the FIRST PARTY could proceed and later on consummate the sale transaction, she agreed to give to the SECOND PARTY including their sisters residing abroad the sum of THREE MILLION PESOS (P3,000,000.00), Phil. Currency, representing the value of the one-third (1/3) portion of said parcel of land with an area of Two Thousand Hundred Thirty-Three (2,233) sq. meters, more or less, as their share thereof, and the delivery of said sum shall be immediately after the payment of the sale consideration in Urdaneta, Pangasinan x x x

x x x [37] (Emphasis and underscoring supplied)

In fine, it was error for the RTC to dismiss petitioners' complaint.

WHEREFORE, the petition is GRANTED. The Resolutions of the Court of Appeals dated October 20, 2005 and June 28, 2006 are REVERSED and SET ASIDE.

The court of origin, Branch 48 of the Regional Trial Court of Urdaneta, Pangasinan, is ORDERED to reinstate Civil Case No. U-7952 to its docket and take action thereon with dispatch. Let the records of the case be REMANDED to it.

SO ORDERED.

Quisumbing, (Chairperson), Tinga, Velasco, Jr., and Brion, JJ., concur.

[1] Records, pp. 71-72.

[2] Id. at 71-72.

[3] Id. at 75-81.

[4] Id. at 91-96.

[5] Id. at 122-123.

[6] Id. at 135.

[7] Id. at 126-129.

[8] Id. at 143-144, 149-150.

[9] Id. at 152-155.

[10] Id. at 152.

[11] Id. at 166-167.

[12] Id. at 166.

[13] Id. at 170-173.

[14] Id. at 185.

[15] Rollo, pp. 36-45.

[16] CA rollo, pp. 9-11.

[17] Penned by Court of Appeals Associate Justice Hakim S. Abdulwahid, with the concurrences of Associate Justices Remedios A. Salazar Fernando and Estela M. Perlas Bernabe, id. at 19-20.

[18] Id. at 24-25.

[19] Id. at 35-36.

[20] Penned by Court of Appeals Associate Justice Vicente S.E. Veloso, with the concurrences of Associate Justices Conrado M. Vasquez, Jr. and Amelita G. Tolentino, rollo, pp. 46-52.

[21] G.R. No. 141524, September 14, 2005, 469 SCRA 633.

[22] Rollo, pp. 51-52. Vide receipts of payment in full of appellate docket fees and other fees, records, pp. 138-140A.

[23] Id. at 7-20.

[24] Supra note 21. Vide rollo, pp. 12-17.

[25] Supra note 21.

[26] Id. at 643-644.

[27] Id. at 644-646.

[28] Vide Calo v. Tan, G.R. No. 151266, November 29, 2005, 476 SCRA 426, 438.

[29] Records, p. 135.

[30] 463 Phil. 785 (2003).

[31] Id. at 794 (citation omitted).

[32] Lanaria v. Planta, G.R. No. 172891, November 22, 2007, 538 SCRA 79, 97.

[33] Records, p. 2.

[34] Id. at 3.

[35] Civil Code, Article 1311.

[36] Petitioners explained why they used Muyaalde as their common family name: "All the petitioners are siblings they being the children of the late Fortunata Revilla-Muyaalde, from whom said petitioners are claiming rights over the property subject of the case. The use [of] MUYALDE as the common family name of the petitioners is purposely to easily identify and trace their filiation to their predecessor-in-interest of the property." Rollo, p. 76.

[37] Records, p. 21.

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.