

**CIRIACO OBERES, CESARIO OBERES, AND GAUDENCIO OBERES,
PETITIONERS, V. ADRIANO OBERES, RESPONDENT.***G.R. No. 211422. October 16, 2019*

Ponente: J. REYES, JR., J.

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Before this Court is a Petition for Review on Certiorari[1] seeking to reverse and set aside the June 4, 2013 Decision[2] and the January 29, 2014 Resolution[3] of the Court of Appeals-Cebu City (CA) which set aside the April 24, 2009 Decision[4] rendered by the Regional Trial Court (RTC) and dismissed the complaint filed by Ciriaco, Cesario and Gaudencio, all surnamed Oberes (collectively, the petitioners) on the ground of prescription.

On August 13, 2003, petitioners filed a Complaint for the Annulment of Deed of Sale, Recovery of Possession and Judicial Partition of Real Estate, Damages and Attorney's Fees against Adriano Oberes (respondent), praying for the court to: (a) annul the Deed of Absolute Sale over Lot No. 5306 in favor of the respondent; (b) order the partition of the said lot pursuant to Rule 69 of the Rules of Court; and (c) order the respondent to pay P25,000.00 moral damages; P25,000.00 exemplary damages; P20,000.00 attorney's fees; and P1,000.00 per court appearance.[5]

The late spouses Francisco Oberes and Catalina Larino[*] had five children, namely: petitioners, respondent, and Domingo. Upon their death,[6] the siblings inherited parcels of land, one of which was the property subject of the present controversy, particularly Lot No. 5306 located at Vito, Minglanilla, Cebu with an area of 3,461 square meters, covered by Transfer Certificate of Title No. 3794 and registered in the name of Francisco Oberes.[7]

Petitioner Gaudencio claimed that their parents left two parcels of land upon their demise — Lot No. 11450 and the land in dispute.[8] However, petitioner Cesario averred that their parents left them five parcels of land. The first four lots were previously owned by Marcela Paran, Pedro Sellon, Cenon Paran and Angel Oberes, while the fifth lot is the lot in dispute. As agreed upon by the siblings, the adjacent properties acquired from Marcela Paran and Pedro Sellon were given to the respondent. The lot purchased from Cenon Paran were adjudicated to Domingo and petitioner Ciriaco.[9] As regards Lot No. 5306, the same was bestowed upon petitioner Gaudencio.[10] Their agreement to waive their rights over the said lot was subsequently put into writing, but the Affidavit of Waiver dated May 17, 1994 was only signed by Domingo, and petitioners Cesario and Ciriaco.[11] Respondent refused to sign the waiver on the ground that he already bought the lot from petitioner Gaudencio way back in 1973.[12] However, petitioner Gaudencio vehemently denied having executed the said Deed of Sale and demonstrated in court his inability to write or sign in the manner that his supposed signature was affixed in the said Deed of Sale.[13]

Respondent, on the other hand, alleged in his Answer[14] and the Affidavit[15] he executed during his lifetime[16] that their parents left two parcels of land in Vito, Minglanilla, namely, the disputed lot and Lot No. 11450, also known as Lot No. 5301-B, consisting of 5924 square meters under the name of their mother.[17]

Sometime in 1972, he and his siblings orally partitioned the two lots. The entire Lot No. 11450 was assigned to Domingo and petitioners Ciriaco and Cesario, while the disputed lot was assigned to him and petitioner Gaudencio as their share in the inheritance. In 1973, petitioner Gaudencio offered to sell his undivided share of Lot No. 5306 to his co-heirs, but only the respondent took interest in the offer and eventually bought the property as evidenced by a notarized Deed of Sale executed by petitioner Gaudencio in his favor.[18] Respondent claimed that there was no dispute over Lot No. 5306 at the time of its partition between him and petitioner Gaudencio in 1972, and the sale of Gaudencio's portion to him in 1973. The issue only arose after petitioners Ciriaco and Cesario have sold their lots to third persons, and thereafter connived with petitioner Gaudencio, feigned ignorance regarding the sale of Gaudencio's portion of the inheritance to him and then claimed the disputed lot.[19]

Magdalena Oberes Largo (Magdalena), daughter of the respondent, substantially echoed the allegations of the respondent when she testified in court.[20] Additionally, she contended that sometime in 1994, Domingo and petitioners Ciriaco and Cesario went to the house of his father to inform him that they will have Lot No. 11450 transferred to their names so that they can sell the same. Subsequently, Lot No. 11450 was issued Tax Declaration No. 21247 in the names of petitioner Ciriaco and Cesario.[21] The name of Domingo was not included in the Tax Declaration because he had already died at that time without a spouse or child. On April 4, 1997, petitioner Ciriaco sold his share of Lot No. 11450 to Alisa E. Inoc who subsequently declared the same for tax purposes under her name per Tax Declaration No. 0128-22844.[22] Petitioner Cesario, for his part sold one-half of his share over Lot No. 11450 to Carlos Abella and Dulce Dugaduga, and the other half portion to Alfredo Carcueva and Felicisima Carcueva, who also declared the properties for tax purposes under their names per Tax Declaration Nos. 0128-22326[23] and 0128-22619,[24] respectively.[25]

Anent the sale of the disputed property by petitioner Gaudencio to the respondent, Magdalena averred that she was present when the Deed of Sale covering the subject property was executed. According to her, the said deed was executed with the consent of Victorina Labajo Oberes (Victorina), wife of petitioner Gaudencio, and signed in the presence of two witnesses in the person of Ben Canada, the Barangay Captain of Vito, Minglanilla, Cebu and Policarpio Labajo, the father of Victorina. Although petitioner Gaudencio was illiterate, he was still able to sign the deed of sale after he was instructed by his wife to follow or copy what she had written. After the sale, respondent immediately took possession of Lot No. 5306 and declared the same under his name as evidenced by Tax Declaration No. 0128-23030[26] and paid the real property tax[27] thereon.[28]

In a Decision dated April 24, 2009, the trial court found that the parents of the parties left two parcels of land when they died, namely: Lot No. 11450 and the disputed land. It has been sufficiently proved, as in fact it has never been denied, that petitioners Ciriaco and Cesario partitioned said Lot No. 11450 between them and received their respective portions therein as their share in their deceased parents' estate. Thus, the only issue in dispute is the validity of the partition of Lot No. 5306 between petitioner Gaudencio and the respondent. On this score, the trial court held:

However, it is important to stress that [petitioner] Gaudencio is unlettered. He does not know how to read and write. When he writes, he is merely made to mechanically copy or follow the writings of another without the mental activities attached to writing. It was exhibited before this court that he merely copies writings when instructed. Even the [respondent] admit[s] that when Gaudencio writes, he is made to "copy" the writings. Thus, the first witness for [the respondent] testified that when he executed the questioned document, Gaudencio was merely made to copy the writings of his wife. The copying of writing becomes a mere mechanical act. There is no showing that there was mental or thought process when he was made to sign the document. [Respondent] [had] not proven that the content of the document where Gaudencio was made to sign was explained to him. It could not simply be assumed that he understood the import of the document which was presented before him and here he made some writings thereon.[29]

For the said reasons, the trial court awarded one-half of the disputed lot to petitioner Gaudencio and the other half to the respondent. It disposed as follows:

WHEREFORE, for reason of preponderance, this court hereby declares that [petitioner] Gaudencio Oberes owns one-half (1/2) of Lot No. 5306 of the Talisay-Minglanilla Friar Lands Estate while the heirs of [respondent] Adriano Oberes own the other one-half (1/2) of Lot No. 5306 of the Talisay-Minglanilla Friar Lands Estate. The Deed of Sale dated April 11, 1997 allegedly executed by [petitioner] Gaudencio Oberes is declared null and void.

Since Gaudencio Oberes and the heirs of Adriano Oberes are co-owners of Lot No. 5306 of the Talisay-Minglanilla Friar Lands Estate, the partition prayed for by [petitioners] is hereby granted. Parties are directed to submit a project of partition for the courts approval not later than thirty (30) days from the finality of this decision.[30]

In a Decision[31] dated June 4, 2013, the CA set aside the Decision of the trial court and dismissed the complaint on the ground of prescription. It held that the records bear out the undisputed fact that petitioner Gaudencio was unlettered and could not understand the English language. Even assuming that petitioner Gaudencio affixed his signature thereto with the assistance of his wife, respondent nonetheless failed to present sufficient evidence to establish that the terms of such document were explained and the import of its execution were clearly and substantially clarified to petitioner Gaudencio in the Visayan dialect, the only dialect known to him. Since the respondent is the one seeking to enforce the contract of sale, he bears the burden of proving that the stipulations in the agreement were fully explained to petitioner Gaudencio who was an illiterate. Having failed to do so, petitioner Gaudencio had been defrauded and his consent had undoubtedly been vitiated when he signed the document as he signed the same without full knowledge of its significance. The defect in petitioner Gaudencio's consent in the execution of the Deed of Sale makes the same voidable or annulable. As such, petitioners have four years from the time the intimidation, violence or undue influence ceases, or four years from the time of the discovery of mistake or fraud to file an action for the annulment of the voidable contract.

At the time Domingo and petitioners Ciriaco and Cesario executed the Affidavit of Waiver in favor of petitioner Gaudencio on May 17, 1994, they admitted to have already obtained knowledge or information that respondent was claiming full ownership over the disputed property on the ground that he purchased the same from petitioner Gaudencio way back on February 21, 1973. During such time, respondent's vehement refusal to sign the waiver and his insistence that he already purchased the property was already an indication of his commission of fraud. Since an action for annulment of contract must be brought within four years from the time of discovery of fraud or mistake, petitioners should have instituted their complaint within four years from May 17, 1994, or the discovery of fraud committed by the respondent. Since they filed their complaint only on May 23, 2002, or eight years after the discovery of fraud, the action has already prescribed, and must perforce, be dismissed.

Petitioners moved for reconsideration but the CA denied it in its Resolution[32] dated January 29, 2014.

Undaunted, petitioners filed the present petition premised on the following grounds:

The Issues

I.

Whether or not the Honorable Court of Appeals gravely abused its discretion in dismissing the Complaint on the ground of prescription

II.

Whether or not the honorable Court of Appeals gravely abused its discretion in declaring the questioned Deed

of Sale merely voidable or annulable and not null and void as declared by the trial court.

The Arguments of the Parties

Petitioners argue that the CA incorrectly applied the ground of prescription in dismissing their complaint despite its clear finding of fraud on the part of the respondent in the execution of the questioned Deed of Sale. Having done so, the CA erroneously allowed the ground of prescription to be used as a shield against fraud and rewarded the respondent with the fruits of his fraudulent act at the expense of the petitioners. They should also not be penalized with the dismissal of their complaint by reason of prescription in trying their best to peacefully settle their differences with their brother and allowing a considerable time to pass before they took action in the hope that the passage of time will help resolve their disagreements.[33]

Petitioners likewise insist that the CA erred in not declaring the questioned Deed of Sale null and void. They explain that when their parents died, the petitioners and the respondent became co-owners of Lot 5306 by operation of law. It was only in 1994 when Domingo and petitioners Ciriaco and Cesario executed the affidavit of waiver in favor Gaudencio over the disputed property. Thus, when the said Deed of Sale was executed in 1973, Lot No. 5306 was still owned in common by the parties in this case. Thus, the total absence of consent of petitioners Ciriaco and Cesario to the said sale makes the same null and void. The sale of the disputed property insofar as petitioner Gaudencio is concerned should likewise be declared null and void, and not merely voidable given that he had firmly denied having executed the same. Also, his alleged signature appearing in the questioned Deed of Sale is noticeably different from his handwriting when he was made to scribble when he testified in court, undeniably showing the improbability that petitioner Gaudencio indeed signed the said deed.[34]

Respondent countered that the decision of the CA to dismiss the complaint filed by the petitioners was not a reward to the respondent. Petitioners simply lost their right to file a case against the respondent, they having slept on their rights for more than the period of time allowed by law. The CA could not simply brush aside the ground of prescription by the mere assertion of the petitioners that they were looking for ways to settle amicably. To do so would violate the law.[35]

Furthermore, respondent posits that petitioners Ciriaco and Cesario cannot now claim to be co-owners of the disputed lot after selling their respective shares in Lot No. 11450, which were their inheritance and which they deliberately failed to mention. They have no right over the disputed lot; hence, they cannot be considered as privies to the sale. He also points out that both the trial court and the CA never mentioned any right of petitioners Ciriaco and Cesario over the disputed lot. Respondent likewise insists that the Deed of Sale is binding unless annulled by the court.[36]

The Ruling of the Court

For a deed of sale or any contract to be valid, Article 1318 of the Civil Code provides that three requisites must concur, namely: (1) the consent of the contracting parties; (2) the object; and (3) the consideration.[37] All these elements must be present to constitute a valid contract. The absence of one renders the contract void.[38] The contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price.[39] A contract of sale is consensual, as such it is perfected by mere consent.[40] For consent to be valid, the following requisites must concur: (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.[41]

In asserting the invalidity of the deed of sale, petitioners staunchly maintain that petitioner Gaudencio did not sign the same. To prove such claim, petitioners aver that he was unschooled and did not know how to read, write, and

sign his name. However, the fact that petitioner Gaudencio was illiterate does not prove that he did not enter into the sale transaction. It does not escape this Court's notice that petitioners never denied nor put in issue the authenticity of the signatures appearing in the questioned deed of sale of petitioner Gaudencio's wife, who signified her consent to the sale of the disputed lot; and of Ben Canada, the barangay captain and Policarpio Labajo, his father-in-law who stood as witnesses thereto. Neither was there evidence presented showing that petitioner Gaudencio was tricked or coerced into signing the deed of sale. These show that petitioner Gaudencio intended to enter into the contract of sale.

The question now is this: Was petitioner Gaudencio's consent to the deed of sale intelligently given?

There is no dispute that petitioner Gaudencio was unlettered and he did not know the English language, the language the deed of sale was written. Thus, under Article 1332[42] of the Civil Code, it is presumed that mistake or fraud attended the execution of a contract by one — petitioner Gaudencio in this case, who did not have the benefit of a good education.[43] To overcome this presumption, it is incumbent upon the respondent to show to the satisfaction of the court that he fully explained to petitioner Gaudencio the contents of the deed of sale in the dialect known to him. Unfortunately, there is no evidence that was presented to show that respondent did so. As such, the presumption that the execution of the deed of sale was attended by fraud stands. Respondent's failure to perform his obligation dictated by law clearly establishes that petitioner Gaudencio's consent was not intelligently given, and therefore, vitiated, when he signed the questioned deed as he did not know the full import of the same. Respondent's failure to disclose the consequences and significance of the deed of sale despite his clear duty to do so constitutes fraud.[44]

Neither can petitioners Ciriaco and Cesario claim that the deed of sale is null and void on the ground that they did not give their consent thereto. The records show that the parties had orally partitioned the properties left by their parents. They cannot now question the validity of such oral partition as its validity is well settled in our jurisdiction.[45] That they recognized the validity of the same is shown by the fact that they not only took possession of their respective shares in the inheritance, but they even sold the same to third persons.[46] Hence, petitioners Ciriaco and Cesario can no longer lay claim on the disputed lot, having already received their shares in the inheritance.

Under Article 1390[47] of the Civil Code, contracts where consent is vitiated by fraud is voidable. Pursuant to Article 1391[48] of the same Code, the action for annulment of contracts where consent is vitiated by fraud shall be brought within four years from the time of discovery of the same. Applied in this case, the four-year period shall be reckoned from May 17, 1994, the time petitioners gained knowledge of the fraudulent deed of the respondent. As correctly found by the CA:

A careful scrutiny of the records reveal[s] that at the time Cesario, Ciriaco and Domingo Oberes executed the Affidavits of Waiver in favor of Gaudencio on May 17, 1994, they admitted to have already obtained knowledge or information that [respondent] Adriano was claiming full ownership over the subject land because he allegedly purchased the same from Gaudencio way back February 21, 1973. During such time, Adriano's vehement refusal to sign the affidavit of waiver and his insistence that he already purchased the property was already an indication of his commission of fraud.[49]

Considering that petitioners lodged its complaint for annulment only on May 23, 2002,[50] or eight years after the discovery of fraud, the CA correctly dismissed the complaint on the ground of prescription.

One final note. In dismissing the complaint on the ground of prescription, the CA neither penalized the petitioners nor rewarded the respondent. It simply applied Articles 1391[51] and 1139[52] of the Civil Code that the right of the petitioners to seek redress for the fraudulent acts of the respondent had been lost by the mere passage of time

fixed by law.

WHEREFORE, premises considered, the petition is DENIED. The assailed June 4, 2013 Decision and the January 29, 2014 Resolution of the Court of Appeals-Cebu City in CA-G.R. CV No. 03166 are AFFIRMED in toto.

SO ORDERED.

Carpio (Chairperson), Caguioa, Lazaro-Javier, and Zalameda, JJ., concur.

[1] Rollo, pp. 10-20.

[2] Penned by Associate Justice Carmelita Salandanan-Manahan, with Associate Justices Ramon Paul L. Hernando (now a Member of the Court) and Ma. Luisa Quijano-Padilla, concurring; id. at 22-36.

[3] Id. at 44-46.

[4] RTC records, pp. 173-186.

[5] Id. at 1-4.

[*] Also "Loreno" in some parts of the records; id. at 25.

[6] Francisco Oberes died on January 16, 1946 while Catalina Larino died on March 18, 1948. See Transcript of Stenographic Notes (TSN), June 2, 2005, pp. 10-11.

[7] RTC records, p. 156.

[8] TSN, July 21, 2004, p. 6; TSN, July 28, 2004, pp. 5-7.

[9] TSN, August 3, 2004, pp. 5-9.

[10] TSN, November 10, 2004, pp. 7-8.

[11] RTC records, p. 56.

[12] Id. at 155.

[13] TSN, July 21, 2004, pp. 6-10.

[14] RTC records, pp. 19-24.

[15] Id. at 42-44.

[16] Respondent died on June 8, 2006. Id. at 101.

[17] Id. at 25.

[18] Supra note 12.

[19] Id. at 20-21.

[20] TSN, March 25, 2008, pp. 3-7.

[21] RTC records, p. 29.

[22] Id. at 157-158.

[23] Id. at 160.

[24] Id. at 162.

[25] TSN, March 25, 2008, pp. 7-12.

[26] RTC records, p. 163.

[27] Id. at 165.

[28] TSN, March 25, 2008, pp. 12-16.

[29] RTC records, p. 185.

[30] RTC records, p. 186.

[31] Supra note 2.

[32] Supra note 3.

[33] Rollo, pp. 16-17.

[34] Id. at 18-19.

[35] Id. at 57.

[36] Id. at 57-58

[37] Spouses Pen v. Spouses Julian, 116 Phil. 50, 61 (2016).

[38] Clemente v. Court of Appeals, 771 Phil. 113, 123 (2015).

[39] CIVIL CODE, Art. 1475.

[40] Lim, Jr. v. San, 481 Phil. 421, 427 (2004).

[41] Leonardo v. Court of Appeals, 481 Phil. 520, 530 (2004).

[42] Art. 1332. When 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.

[43] Supra note 41, at 532.

[44] Art. 1339 of the Civil Code provides: Failure to disclose facts, when there is a duty to reveal them, as when the parties are bound by confidential relations, constitutes fraud.

[45] Casilang, Sr. v. Casilang-Dizon, 704 Phil. 397, 418 (2013).

[46] RTC records, pp. 157-162.

[47] Art. 1390. The following contracts are voidable or annulable, even though there may have been no damage to the contracting parties:

(1) Those where one of the parties is incapable of giving consent to a contract;

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

These contracts are binding, unless they are annulled by a proper action in court. They are susceptible of ratification.

[48] Art. 1391. The action for annulment shall be brought within four years.

This period shall begin: In cases of intimidation, violence or undue influence, from the time the defect of the

consent ceases. In case of mistake or fraud, from the time of the discovery of the same. And when the action refers to contracts entered into by minors or other incapacitated persons, from the time the guardianship ceases.

[49] Rollo, p. 34.

[[50]] RTC records, p. 7.

[51] Supra note 48.

[52] Art. 1139. Actions prescribe by the mere lapse of time fixed by law.

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