

Title:

Victoria T. Fajardo vs. Belen Cua-Malate [G.R. No. 217123, July 1, 2010].

Facts:

On December 1, 2003, Belen Cua-Malate (respondent) filed an Amended Complaint for Partition and Accounting with Damages against her siblings, Victoria T. Fajardo (petitioner), Ramon T. Cua, Adelaida T. Cua, Emelita T. Cua, and Elena T. Cua (collectively, the siblings), alleging that upon the death of their mother, Ceferina Toregosa Cua, on June 10, 1998, an estate comprising certain real and personal properties remained undivided. Respondent claimed she had not received her lawful share from the estate and sought a judicial partition, her lawful share, moral and exemplary damages, a contingency fee, and litigation expenses.

On April 6, 2004, the other siblings filed an Answer expressing willingness to settle amicably, mentioning that respondent had been receiving her share of the estate's income, and she intentionally withheld documents relating to the properties. Petitioner Victoria also filed her Answer on August 14, 2004, in favor of the partition and accounting.

Pre-trial concluded on January 25, 2007, with respondent presented as a witness. Mediation was initiated on October 22, 2008, resulting in an agreement which was to be reduced to writing. When the parties convened on April 8, 2010, petitioner Victoria was absent due to financial constraints. The remainder of the siblings signed the Compromise Agreement, which was subsequently approved by the Regional Trial Court (RTC) on July 1, 2010, issuing a judgment based on the agreement. Petitioner Victoria appealed this decision, claiming she did not consent to the partition as she had not signed the document.

Procedural History:

1. **Regional Trial Court**

- Respondent Belen filed the Amended Complaint for Partition and Accounting with Damages.
- Petitioner Victoria and siblings provided their Answers.
- Mediation resulted in a signed Compromise Agreement by all siblings except petitioner Victoria.
- RTC's decision on July 1, 2010, approved the Compromise Agreement and mandated its enforcement.

2. **Court of Appeals**

- Petitioner Victoria's appeal was dismissed, affirming that the RTC did not err in approving the Compromise Agreement.
- Her Motion for Reconsideration was also denied.

3. ****Supreme Court****

- Examined whether the RTC erred in rendering a decision based on the Compromise Agreement despite petitioner Victoria's non-signature.

Issues:

1. Whether the RTC erred in rendering its decision based on a Compromise Agreement that petitioner Victoria did not sign.
2. Whether the CA erred in affirming the RTC's approval of the Compromise Agreement.

Court's Decision:

****Issue 1: Oral Partition****

The Supreme Court found that there was already a binding oral partition agreement among the siblings on the estate of their mother, Ceferina. It noted that both RTC and CA factually established that an oral agreement had been reached during the mediation conferences and was merely reduced to writing later. Petitioner Victoria's absence during the signing did not invalidate the oral agreement, as her inability to attend was due to financial constraints rather than disagreement with the terms.

****Issue 2: Binding Nature of the Compromise Agreement****

The Court upheld the lower courts' findings that there was a valid and binding agreement. Petitioner Victoria did not provide sufficient evidence to contest her alleged consent. Her actions (or inaction) following the meetings indicated consent to the terms. The oral agreement, valid under Rule 74, Section 1 of the Rules of Court, confirmed that written formality is not mandatory.

The non-signing of the written Compromise Agreement did not affect its binding effect as an oral partition is enforceable in equity, especially since partly performed.

Doctrine:

Established by this case, an oral partition may be valid and binding upon heirs; it does not require a written instrument to be enforceable if duly agreed upon and partly performed during mediation.

Class Notes:

- **Oral Partition Validity**: Rule 74, Section 1 of the Rules of Court allows heirs to orally agree on partitions without requiring formal written documentation.
- **Binding Agreement in Absence of Signature**: In circumstances where an agreement has been reached and only formalized into writing, lack of signatory from a sibling doesn't invalidate the partition, provided the agreement was fair and partly performed.
- **Equity and Oral Agreements**: Courts can uphold oral agreements if it prevents unjust situations (partly performed agreements or ratified orally).

Historical Background:

The case occurred in the context of property disputes among heirs following intestate death in the Philippines. At the time, judicial and extrajudicial settlements of estates without a will and without debts were common, particularly in family disputes, providing for an equitable partition under Rule 74, Section 1 of the Rules of Court within the Philippine judiciary framework. This case underscores the importance of family consent and equitable resolution through mediation and judicial endorsement in Filipino inheritance disputes.