THIRD DIVISION

[G.R. NO. 152652, August 31, 2006]

TEODORO STA. ANA, PETITIONER, VS. LOURDES PANLASIGUE, JULIETA P. SANTIAGO AND SPOUSES IRENEO STA. ANA AND CANDIDA JARMIN, RESPONDENTS.

DECISION

CARPIO MORALES, J.:

Two parcels of land situated at Barrio Pineda, Pasig City, Lots 13-A and 13-B, each containing an area of 225 square meters, were registered in the Registry of Deeds for the Province of Rizal in the name of Petronilo Sta. Ana (Petronilo), married to Anatolia dela Rosa (Anatolia), under Transfer Certificate of Title No. 389002.

Petronilo died on March 22, 1980 leaving behind his widow Anatolia and ten children.

In 1984, Nicolas, one of the ten children of the Sta Ana couple, died leaving behind two children, Annaliza and Andrea.

On April 8, 1988, Anatolia, together with eight of her living children and Fe Sta Ana, the wife of her eldest child-herein petitioner Teodoro Sta. Ana (Teodoro) who was then abroad, executed a Deed of Sale covering Lot 13-A in favor of herein respondents Lourdes Panlasigue (Lourdes) and Julieta P. Santiago (Julieta). On even date, Anatolia, together with the same eight children and Teodoro's wife Fe, donated Lot 13-B to Ireneo Sta. Ana (Ireneo), one of the Sta. Ana children, via a "Deed of Extrajudicial Partition and Donation" [1] stating, *inter alia*, as follows, quoted *verbatim*:

X X X X

That they are the only legitimate surviving spouses and children who survive the deceased Petronilo Sta. Ana.

That the said decedent [Petronilo Sta. Ana] died without leaving any will.

That the deceased left no debts;

X X X X

That the deceased left a certain residential lot [Lot 13-B] situated at Pasig Metro Manila and more particularly described and bounded as follows:

X X X X

That for and in consideration of the love and affection which the aforenamed parties hereinafter referred to as DONORS, hold for IRENEO, hereinafter referred to as DONEE, the DONORS do hereby transfers and conveys, by way of donation, into the DONEE Lot 13-B of TCT No. 389002.

That the DONORS do hereby state for the purpose of giving full effect to this donation, that they reserved unto themselves in full ownerships other properties sufficient to support them in a manner appropriate to their stations;

That the DONEE does hereby state that he accept this donation and at the same time expresses his profound gratitude for this demonstration of affection and act of liberality on the part of the DONORS who by these presents also take notice of this acceptance; [2]

The two documents were annotated on Petronilo's title on May 6, 1988.

On August 20, 1996, Teodoro filed a Complaint^[3] before the Pasig Regional Trial Court (RTC) against herein respondents-vendees of Lot 13-A, Lourdes and Julieta, and his brother-donee Ireneo along with the latter's wife Candida Jarmin, <u>for recovery of ownership and damages</u>, docketed as Civil Case No. 65860.

In his complaint, Teodoro alleged that, *inter alia*, his "purported signature" in the Deed of Absolute Sale covering Lot 13-A as well as in the Deed of Extrajudicial Partition and Donation covering Lot 13-B was unauthorized and a forgery. He thus prayed for the court to order:

- 1. defendants Panlasigue and Santiago to reconvey unto the plaintiff his oneeighteenth (1/18) share in Lot 13-A;
- 2. defendants Ireneo Sta. and Jasmin Jarmin to reconvey unto the plaintiff his one-eighteenth (1/18) share in Lot 13-B;
- 3. defendants Ireneo Sta. Ana and Jasmin Jarmin, jointly and severally, to indemnify the plaintiff for moral damages of at least P100,000.00; exemplary damages of at least P50,000.00 and for attorney's fees of P50,000.00. [4] (Underscoring supplied)

In their Answer^[5] to the Complaint, the defendants claimed that the sale of Lot 13-A and the donation of Lot 13-B were the collective decision of Anatolia and the rest of her children-co-heirs including Teodoro; and that the proceeds of the sale were used to underwrite the hospitalization expenses of Anatolia and the expenses incurred by Ireneo who took care of Anatolia during her lifetime.

On May 30, 1997,^[6] Annaliza Sta. Ana and Andrea Sta Ana, children of Nicolas Sta. Ana (who, as earlier stated, died in 1984), filed a Complaint-In-Intervention^[7] along with their motion for leave to file the same which was granted, alleging that they, as co-heirs, did not participate in the execution of the Deed of Sale and Deed of

Extrajudicial Partition and Donation nor were they informed about it. Hence, they prayed for judgment ordering

- 1. defendants Panlasigue and Santiago <u>to convey unto plaintiffs-intervenors theirrightful share</u> in the property now covered by Transfer Certificate of Title No. 66276 of the Register of Deeds in Pasig City, and
- 2. defendants Sps. Irineo and Candida Sta. Ana to convey unto plaintiffs-intervenors their rightful share in the property now covered by Transfer Certificate of Title No. 66275 of the Register of Deeds in Pasig City. [8] (Underscoring supplied)

Answering the Complaint-In-Intervention, [9] the defendants proffered that "[t]here was a lot allotted to the deceased [Nicolas-]father of the intervenors which the latter could inherit by right of representation."[10]

It appears that during the hearing of the cases, the defendants claimed that the properties of Petronilo had, before the execution of the challenged documents, been distributed among all his heirs and that Lot 13-A and Lot 13-B were the conjugal share of his wife Anatolia.

Finding the extra-judicial partition a nullity for lack of conformity of other compulsory heirs Teodoro, Annaliza and Andrea, Branch 160 of the RTC Pasig, by Decision of October 15, 1999, [11] nullified the challenged documents. Thus it:

- Declar[ed] the extrajudicial partition as null and void;
- 2) Declar[ed]the Deed of Absolute Sale between some of the heirs and defendants Panlasigue and Santiago as null and void and [ordered the latter] to reconvey the property subject of Deed of Absolute Sale in favor of "Estate of Deceased Petronilo Sta. Ana" without prejudice to defendants Panlasigue and Santiago pursuing their claims against the Estate;
- 3) Declar[ed]as null and void the Deed of Donation in favor of defendants Irineo Sta. Ana and Candida Jarmin-Sta. Ana and [ordered] them to reconvey the property likewise to the estate without prejudice to their filing of claim for whatever they have incurred for the hospitalization expenses and death of deceased mother Anatolia as provided by law. [12] (Underscoring supplied)

Ireneo and his wife, Lourdes and Julieta, filed separate notices of appeal to the Court of Appeals.

Ireneo and his wife faulted the trial court:

. . . IN DECLARING THE EXTRAJUDICIAL PARTITION AS NULL AND VOID.

. . . IN DECLARING THE DEED OF DONATION IN FAVOR OF DEFENDANT-APPELLANTS IRENEO STA. ANA AND CANDIDA JARMIN-STA. ANA NULL AND VOID.

. . . IN NOT ORDERING THE PLAINTIFF-APPELLEE TO PAY THE DEFENDANTS-APPELLANTS MORAL AND EXEMPLARY DAMAGES.^[13]

On the other hand, Lourdes and Julieta ascribed to the trial court the following errors:

- I. . . . DECLARING THAT THERE WAS NO VALID PARTITION BETWEEN THE PARTIES.
- II. . . . DECLARING THE DEED OF SALE BETWEEN ANATOLIA STA. ANA AND DEFENDANT-APPELLANTS PANLASIGUE AND SANTIAGO NULL AND VOID.
- III. . . . NOT FINDING THAT THE RIGHT OF PLAINTIFF-APPELLEE TO QUESTION THE TITLE OF DEFENDANT-APPELLANTS PANLASIGUE AND SANTIAGO OVER THE SUBJECT PROPERTY HAS ALREADY PRESCRIBED.
- IV. . . NOT DISMISSING THE COMPLAINT AND RENDERING JUDGMENT IN FAVOR OF DEFENDANT-APPELLANTS SANTIAGO AND PANLASIGUE AND AGAINST PLAINTIFF-APPELLEE UNDER THE FORMER'S COUNTERCLAIM. [14]

The appellate court discredited the defendants' claim "that after the death of Petronilo Sta Ana but before 1988 [when the challenged documents were executed], his heirs consisting of his surviving wife and their [living] nine (9) children agreed orally to extrajudicially partition his estate and adjudicate to the mother Anatolia Lots 13-A and 13-B,"[15] in light of the fact that Anatolia's children participated in the execution of the documents as owners and donors. It thus held that the two lots were co-owned by Anatolia and her children.

Applying Article 493 of the Civil Code which provides:

Each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he may alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership. (Underscoring supplied),

the appellate court held that the trial court erred in nullifying the assailed documents as in fact it noted that Teodoro and the intervenors-children of Nicolas merely prayed for reconveyance of their respective shares of the lots, and not for the declaration of nullity of said documents.

The appellate court thus concluded: