

FIRST DIVISION

[G.R. No. 83974, August 17, 1998]

**SPOUSES NARCISO RONGAVILLA AND DOLORES RONGAVILLA,
PETITIONERS, VS. COURT OF APPEALS AND MERCEDES DELA
CRUZ AND FLORENCIA DELA CRUZ, RESPONDENTS.**

D E C I S I O N

QUISUMBING, J.:

For review on appeal by *certiorari* are the Decision^[1] of the Court of Appeals in CA-G.R. CV No. 06543, promulgated on March 11, 1988, and the Resolution^[2] dated June 28, 1988, denying petitioner's motion for reconsideration.

The appealed decision affirmed in toto the judgment of the Regional Trial Court of Pasay City in Civil Case No. LP-8790-P, which disposed of the controversy as follows:

"WHEREFORE, judgment is hereby rendered declaring void and inexistent the Deed of Absolute Sale (Exh. "I") dated June 3, 1976 allegedly executed by plaintiff

fs in favor of defendant spouses, which document is now particularly identified as Doc. No. 164; Page no. 34; Book No. I; Series of 1976 in the Notarial Register of Arcadio Espiritu, a Notary Public for and in Province of Cavite. Further, defendant spouses are hereby ordered -

- a. To reconvey to the plaintiffs, free from all liens and encumbrances, the property covered by Transfer Certificate of Title No. S-28903 of the Registry of Deeds for the Province of Rizal;
- b. . To pay to plaintiffs the sum of P5,000.00 as attorney's fees; and
- c. To pay the cost of the suit."^[3]

As gleaned from the record, the private parties are closely related. Plaintiffs below, now the private respondents, are the aunts of herein petitioner Dolores Rongavilla. Both spinsters, they earn their livelihood as embroiderers ("magbuburda") and dressmakers; although unschooled in English, they are however able to read and write in Tagalog. Since they are of advanced age (Mercedes de la Cruz, 60 and Florencia de la Cruz, 71), their day to day activities were confined mostly close to home.

The property subject of this controversy between kith and kin is a parcel of land, located in Manuyo, Las Piñas, Rizal (now Metro Manila) owned by private respondents, in the proportion of one-half (1/2) pro-indiviso, with another niece named Juanita Jimenez as co-owner of the other one-half. The whole parcel consisted of 131 square meters and was covered by Original Certificate of Title (OCT) No. 5415 of the Register of Deeds of the Province of Rizal. This OCT, as well

as the Transfer Certificate of Title (TCT) No. S-28903 after the parcel was subdivided, was kept in the possession of Juanita Jimenez, who is the elder sister of Dolores Rongavilla.

Although the basic fact situation here might appear all too familiar, the legal controversy itself is notable for having passed through the entire channel of the justice system.^[4] The present petition before us was given due course per Resolution^[5] dated June 26, 1989; but it was denied on September 20, 1989, for non-compliance with certain requirements;^[6] although, upon motion for reconsideration by the petitioners showing compliance, it was reinstated^[7] on September 2, 1991.

Considering the circumstances in this case, including the relationship of the parties, it behooves this Court now to examine closely and carefully the questioned judgment and the record below. For the Court could not but be mindful of the codal admonition that:

"In all contractual, property or other relations, when one of the parties is at a disadvantage on account of his moral dependence, ignorance, indigence, mental weakness, tender age, or other handicap, the courts must vigilant for his protection." (Art. 24, Civil Code)

From the facts found below, it appears that in the month of May, 1976, the private respondents borrowed the amount of two thousand (P2,000) from the petitioners for the purpose of having their (respondents') dilapidated rooftop repaired.

A month later, petitioner Dolores Rongavilla and her sister Juanita Jimenez visited their aunt's home, bringing with them a document for the signature of their aunts. The document is admittedly typewritten in English. When asked in Tagalog by one of the aunts, respondent Mercedes de la Cruz, what the paper was all about, Dolores Rongavilla answered also in Tagalog, that it was just a document to show that the private respondents had a debt amounting to P2,000. On account of that representation, private respondent signed the document.

In September 1980, or after a lapse of over four years, petitioner Dolores Rongavilla went to private respondents' place and asked them to vacate the parcel in question, claiming that she and her husband were already the new owners of the land.

Surprised by petitioners' moves, private respondents with the help of friends went to the Office of the Register of Deeds of the Province of Rizal to verify the matter. They discovered that their Certificate of Title had been cancelled and a new one, Transfer Certificate of Title No. S-28903, had been issued in favor of petitioners. They further discovered that said parcel of land had been mortgaged with the Cavite Development Bank by the petitioners. It was only then that the private respondents realized that the document they had previously been asked by their nieces to sign was a deed of sale.

On February 3, 1981, private respondents filed with the Court of First Instance, now Regional Trial Court, of Pasay City the sworn complaint^[8] to have the purported deed of sale declared void and inexistent, for being fictitious and simulated, and secured by means of fraud and misrepresentation. They alleged that they did not sell their property in question to the defendants; that they did not receive any consideration on the supposed sale; that their Original Certificate of Title was

cancelled and TCT No. S-28903 was issued in favor of defendants (herein petitioners), who thereafter mortgaged said title for a total of P40,000.00 to the damage and prejudice of the plaintiffs. They also claimed moral and exemplary damages, as the court might determine.

Petitioners duly filed their answer^[9] after the denial of their motion to dismiss, alleging that plaintiffs (now the private respondents) sold their parcel of land voluntarily, that there was consent to the deed of sale, that there was sufficient consideration therefor and that the document on the sale was complete in itself and in due form, enabling the Register of deeds to cancel their old TCT and issue a new one. Petitioners further stated that private respondent were fully appraised by the Notary Public, Atty. Arcadio G. Espiritu, on what the document was all about, and having understood the explanation made by said Notary Public, they voluntarily affixed their signatures on said document. Petitioners also asserted as affirmative and/or special defenses that prescription had set in and that private respondents no longer had a cause of action, and that the deed of sale contained all the pre-requisites of a contract, namely consent of the parties, consideration or a price certain, and determinate thing or object; and could no longer be annulled. They also claimed moral and exemplary damages.

The trial court's judgment, quoted at the outset, being adverse to the petitioners, they seasonably appealed. And after their rebuff at the appellate level, they come now to this Court on *certiorari* under Rule 45 of the Rules of Court, citing the following grounds for their petition:

"(1) It is clear and patent error of the Court of Appeals to declare as 'void and inexistent the Deed of Absolute Sale (Exhibit 1) dated June 3, 1976.

(2) The Court of Appeals committed grave error of law in holding that the action to declare nullity of the Deed of Absolute Sale (Exhibit 1) does not prescribe.

(3) The Court of Appeals committed grave abuse of discretion in relying on a purported Certificate of Bureau of Internal Revenue which was not offered in evidence.

(4) The Court of Appeals committed grave error of law and abuse of discretion and grave abuse of discretion amounting to lack or excess of jurisdiction in ordering the petitioners to reconvey the subject parcel of land to the private respondents."^[10]

With a slight variation but consistent with the grounds they have relied on petitioners raise in their Memorandum^[11] the following:

"ISSUES

1. Did the Court of Appeals commit a clear and patent error in declaring as 'void and inexistent' the Deed of Absolute Sale (Exhibit 1) dated June 3, 1976?

2. Did the Court of Appeals commit grave error in holding that the action to annul the Deed of Sale (Exhibit 1) does not prescribe?

3. Did the Court of Appeals commit grave abuse of discretion in relying on a purported Certificate of the Bureau of Internal Revenue which was not offered in evidence?

4. Did the Court of Appeals commit grave error of law and grave abuse of discretion amounting to lack of jurisdiction or in excess of jurisdiction in ordering petitioners to reconvey the subject parcel of land to the private respondents?"

These issues may be synthesized into one: Did the respondent Court of Appeals commit reversible error when it upheld the trial court's judgment that the disputed Deed of Sale (Exhibit "1") is void and inexistent?

To resolve this pivotal issue, it must be noted that private respondents, as plaintiffs below, based their complaint to declare the disputed deed void and inexistent on two fundamental grounds: (1) lack of consent and (2) want of consideration. Under oath, they strongly denied selling or even just agreeing to sell, their parcel of land to their niece and nephew-in-law. During the hearing, they also denied going to and appearing before the Notary Public who prepared the deed of sale. They also vehemently denied receiving any consideration for the alleged sale. They added that their signatures on the purported deed of sale were obtained by fraud and misrepresentation as petitioners had misled them to believe the document was just a paper to evidence a debt of P2,000 they obtained to buy G.I sheets for the repair of their leaking roof.^[12] Private respondents were shocked and got sick when they were told by petitioners that they (respondents) were no longer the owners of the land.^[13]

On these two points of consent and consideration, the trial court found that:

"x x x. A careful analysis and meticulous evaluation of the evidence on record has convinced the Court that the sale of their property to the defendants was farthest from the plaintiffs' minds. The Court believes that when plaintiffs voluntarily signed the document which turned out to be a deed of sale, they were misled by defendant Dolores Rongavilla and her sister Juanita Jimenez into believing that what they signed was a document acknowledging the loan of P2,000.00 extended them by said defendant.

"The Deed of Absolute Sale (Exh. "I") mentions a consideration of P2,000.00. Three years after the alleged sale, the same property was mortgaged by defendant spouses with the Cavite Development Bank for P40,000.00. Clearly enough, the gross inadequacy and unconsciounableness [sic] of the consideration deters the Court from subscribing to defendants' theory that plaintiffs sold the property to them. It is more reasonable to assume that the amount of P2,000.00 mentioned in the deed refers to the loan defendants extended to plaintiffs for the same amount.

"Plaintiffs are now of advanced age. Their only property is the lot in question and the house erected thereon. x x x.

"As there is no indication that plaintiffs were in dire need of money, except for few [sic] amount, except for few [sic] amount necessary for the repair of the roof of their house for which they obtained a loan of

P2,000.00 from defendants, there was no reason for plaintiffs to dispose of their property. To do so would be inconsistent with the regular norm of human conduct and the natural course of events. It is not in accord with the natural promptings and instincts of human nature."^[14]

To these findings by the trial court, the Court of Appeals in its own decision asserted. In addition, it laid stress on the point of lack of consideration by quoting agreeably the trial judge's holding thereon:

"By more than mere preponderance of evidence of evidence plaintiffs [herein private respondents] have established the merit of their cause of action. The Court is of the opinion and so holds that there was fraud exercised by defendant Dolores Rongavilla and her sister Juanita Jimenez in securing the signature of the Deed of Absolute Sale (Exh. 'I') and there was no consideration whatsoever for the alleged sale. Undoubtedly, the said deed of sale is simulated, fictitious and void."^[15]

And before concluding, the appellate court reiterated the proper characterization of the deed of sale in question, not as an annulable contract, but as a void and inexistent contract as found by the trial court:

"x x x. In the case at bar, however, We are dealing not merely with a voidable contract which is tainted with fraud, mistake, undue influence, violence or intimidation which may justify the annulment of a contract, but with a contract that is null and void ab initio.

"In the present case, plaintiffs-appellees declared under oath in their complaint that they signed the alleged document without knowing that said document was a deed of absolute sale. This means that plaintiffs-appellees consent was not only vitiated, but that plaintiffs-appellees have not given their consent at all. And since there was no consent, the deed of absolute sale is, therefore, null and void ab initio. xxx"^[16]

Dissatisfied, petitioners now seek from this Court the reversal of the judgment below. They insist in their petition before us that the deed is valid; and that because of the statute of limitations, after the lapse of four years from its execution and registration, it could no longer be annulled.

They assert that "the presumption that contracts are presumed to be valid and to be supported by lawful and good consideration of one dollar is just as effectual and valuable as a larger sum stipulated or paid".^[17]

They further assert that since private respondents signed the Deed of Sale, as a public instrument, the truth of the recitals therein embodied could only be impugned and disproved, not by mere preponderance of evidence, but by evidence of the "the clearest and most satisfactory character, convincing and overwhelming."^[18] Petitioners further state that since they have been the ones paying real estate taxes on the property, rather than their aunts, the latter by their acts had confirmed the deed executed by them.^[19]

Despite the petitioners' insistence that the deed of sale is presumed valid and, being registered, could not be disturbed anymore, we however find their arguments and ratiocination less than persuasive. While petitioners would not want the deed of sale