

FIRST DIVISION

[G.R. No. 143286, April 14, 2004]

PROCOPIO VILLANUEVA, NICOLAS RETUYA AND PACITA VILLANUEVA, PETITIONERS, VS. COURT OF APPEALS AND THE HEIRS OF EUSEBIA NAPISA RETUYA, RESPONDENTS.

DECISION

CARPIO, J.:

This petition for review on certiorari^[1] seeks the reversal of the Court of Appeals' Decision dated 31 January 2000 as well as its Resolution dated 25 April 2000 in CA-G.R. No. CV-46716. The assailed Decision dismissed petitioners' appeal of the Decision of the Regional Trial Court, Branch 55, Mandaue City ("trial court").

On 13 October 1988, Eusebia Napisa Retuya ("Eusebia") filed a complaint before the trial court against her husband Nicolas Retuya ("Nicolas"), Pacita Villanueva ("Pacita"), and Nicolas' son with Pacita, Procopio Villanueva ("Procopio"). Eusebia sought the reconveyance from Nicolas and Pacita of several properties listed in paragraph 2 of the complaint ("subject properties"), claiming the subject properties are her conjugal properties with Nicolas. Eusebia also prayed for accounting, damages and the delivery of rent and other income from the subject properties.

Antecedent Facts

The facts as found by the trial court are as follows:

Plaintiff Eusebia Napisa Retuya, is the legal wife of defendant Nicolas Retuya, having been married to the latter on October 7, 1926. Out of the lawful wedlock, they begot five (5) children, namely, Natividad, Angela, Napoleon, Salome, and Roberta. Spouses Retuya resided at Tipolo, Mandaue City. During their marriage they acquired real properties and all improvements situated in Mandaue City, and Consolacion, Cebu, more particularly described as follows:

- '1. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24951;
2. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24952;
3. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24953;
4. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24954;

5. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24956;
6. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24957;
7. A parcel of land located at Pulpugan, Consolacion, Cebu under tax dec. No. 24958;
8. A parcel of land located at Tipolo, Mandaue City, covered by tax dec. No. 01042;
9. A parcel of land located at Tipolo, Mandaue City, covered by tax dec. No. 01043;
10. A parcel of land located at Tipolo, Mandaue City, covered by tax dec. No. 01046;
11. A parcel of land located at Tipolo, Mandaue City, covered by tax dec. No. 01041;
12. A parcel of land located at Nawanao-Subangdaku, Mandaue City covered by tax dec. No. 01488;
13. A parcel of land located at Baklid, Mandaue City, covered by tax dec. No. 00492;
14. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01044;
15. A residential house located at Tipolo, Mandaue City covered by tax dec. No. 01050;
16. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01048;
17. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01051;
18. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01047;
19. A parcel of land located at Banilad, Mandaue City covered by tax dec. No. 02381;
20. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01049;
21. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01045;

22. A parcel of land located at Tipolo, Mandaue City covered by tax dec. No. 01450 (in the name of Pacita Villanueva).'

Also, defendant, Nicolas Retuya, is co-owner of a parcel of land situated in Mandaue City which he inherited from his parents Esteban Retuya and Balbina Solon as well as the purchasers of hereditary shares of approximately eight (8) parcels of land in Mandaue City.

Some of these properties above-mentioned earn income from coconuts and the other lands/houses are leased to the following:

a) Mandaue Food Products Company – for Lot 121-F, Lot 121-G and Lot 121-H under TCT No. 11300 at an annual rental of P10,800.00;

b) Barben Wood Industries, Inc. – for Lot 148 covered by TCT No. 1731 for an annual rental of P21,600.00;

c) Metaphil, Inc. – parcel of land consisting of 2,790.51 sq. meters at the rate of P2,700.00 annually for the first five (5) years, and P3,240.00 for the second years;

d) Benedicto Development Corp. – for a portion of Lot 148 covered by TCT No. 1731 for a period of 20 years at an annual rate of P3,500.00 renewable for another 20 years after April 1, 1995 at an annual rate of P4,000.00;

e) Benedicto Development Corporation – for a portion of Lot No. 148 covered by Certificate of Title No. 1731 over an area of 6,000 sq. meters for an annual rental of P9,500.00 for a period of 2 years from June 1, 1982;

f) Visayan Timber and Machinery Corp. – over a parcel of land at Nawanaw, Mandaue City, for a period of 2 years from June 1, 1987 and renewable for another 12 years at an annual income of P4,000.00;

g) House lessees listed in Exhibit "13" with total monthly rentals of P1,975.00 a month for the 24 lessees or P24,700.00 annually. (Exhs. "7" to "13")

In 1945, defendant Nicolas Retuya no longer lived with his legitimate family and cohabited with defendant, Pacita Villanueva, wherein defendant, Procopio Villanueva, is their illegitimate son. Nicolas, then, was the only person who received the income of the above-mentioned properties.

Defendant, Pacita Villanueva, from the time she started living in concubinage with Nicolas, has no occupation, she had no properties of her own from which she could derive income.

In 1985, Nicolas suffered a stroke and cannot talk anymore, cannot walk anymore and they have to raise him up in order to walk. Natividad

Retuya knew of the physical condition of her father because they visited him at the hospital. From the time defendant Nicolas Retuya suffered a stroke on January 27, 1985 and until the present, it is defendant Procopio Villanueva, one of Nicolas' illegitimate children who has been receiving the income of these properties. Witness Natividad Retuya went to Procopio to negotiate because at this time their father Nicolas was already senile and has a childlike mind. She told defendant, Procopio that their father was already incapacitated and they had to talk things over and the latter replied that it was not yet the time to talk about the matter.

Plaintiff, then, complained to the Barangay Captain for reconciliation/mediation but no settlement was reached, hence, the said official issued a certification to file action. Written demands were made by plaintiff, through her counsel, to the defendants, including the illegitimate family asking for settlement but no settlement was reached by the parties.

Further, plaintiff's witness, Natividad Retuya, testified that the parcel of land covered by tax declaration marked Exhibit "T" was the property bought by her father from Adriano Marababol for at the time of purchase of the property, defendant Pacita Villanueva had no means of livelihood (TSN, p. 6).

The trial court rendered its Decision on 16 February 1994 in favor of Eusebia. The dispositive portion of the Decision states:

WHEREFORE, in view of the foregoing considerations, judgment is rendered in favor of the plaintiff Eusebia Napisa Retuya and against defendants Procopio Villanueva, Nicolas Retuya and Pacita Villanueva:

1. Declaring the properties listed in paragraph 2 of the amended complaint as conjugal properties of the spouses plaintiff Eusebia Retuya and the defendant Nicolas Retuya;
2. Ordering the transfer of the sole administration of conjugal properties of the spouses Eusebia Retuya and Nicolas Retuya in accordance with Art. 124 of the Family Code to the plaintiff Eusebia Napisa Retuya;
3. Ordering defendant Procopio Villanueva to account and turnover all proceeds or rentals or income of the conjugal properties from January 27, 1985 when he took over as 'administrator' thereof and until he shall have ceased administering the same in accordance with the judgment of this Court;
4. Ordering defendants jointly and severally to reconvey the parcel of land situated at Tipolo, Mandaue City now in the name of defendant Pacita Villanueva under tax dec. No. 01450 and transfer the same into the names of the conjugal partners Eusebia N. Retuya and Nicolas Retuya;

5. Ordering the City Assessor's Office of Mandaue City to cancel tax declaration No. 01450 in the name of Pacita Villanueva and direct the issuance of a new title and tax declaration in the names of Eusebia Napisa Retuya and Nicolas Retuya;
6. Ordering defendants jointly and severally to reconvey that certain building of strong materials located at Tipolo, Mandaue City under tax dec. No. 01450 into the names of Eusebia Retuya and Nicolas Retuya;
7. Ordering defendants jointly and severally to pay plaintiff the sum of P50,000.00 by way of attorney's fees and expenses of litigation in the sum of P5,000.00 plus the costs.

SO ORDERED.

Petitioners appealed the trial court's decision to the Court of Appeals. Eusebia died on 23 November 1996. Thereafter, Eusebia's heirs substituted her pursuant to the resolution of the Court of Appeals dated 7 April 1997. The Court of Appeals eventually upheld the Decision of the trial court but deleted the award of attorney's fees, ruling in this wise:

WHEREFORE, the decision dated February 16, 1994 is AFFIRMED with the modification that the award of attorney's fees of P50,000.00 is deleted.

SO ORDERED.

Petitioners filed a Motion for Reconsideration on 23 February 2000 which the Court of Appeals denied in a Resolution dated 11 May 2000.

Hence, this petition.

The Trial Court's Ruling

The trial court applied Article 116 of the Family Code, which reads:

Art. 116. All property acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, is presumed conjugal unless the contrary is proved.

The trial court ruled that the documents and other evidence Eusebia presented constitute "solid evidence" which proved that the subject properties were acquired during her marriage with Nicolas. This made the presumption in Article 116 applicable to the subject properties. Thus, the trial court ruled that Eusebia had proved that the subject properties are conjugal in nature. On the other hand, the trial court found that petitioners failed to meet the standard of proof required to maintain their claim that the subject properties are paraphernal properties of Nicolas. The trial court added that Pacita presented no "factual solidity" to support her claim that she bought Lot No. 152^[2] exclusively with her own money.

The Court of Appeals' Ruling