

SECOND DIVISION

[G.R. NO. 161955, August 31, 2005]

**CELEDONIO MOLDES, ROSITA MOLDES AND CAROLINA CEDIA,
PETITIONERS, VS. TIBURCIO VILLANUEVA, APOLONIO
VILLANUEVA, MANUEL VILLANUEVA, MARIANO DULLAVIN,
RONALDO DULLAVIN AND TEODORA DULLAVIN, RESPONDENTS.**

D E C I S I O N

CALLEJO, SR., J.:

This is a petition for review on *certiorari* of the Decision^[1] of the Court of Appeals (CA) and its Resolution^[2] in CA-G.R. CV No. 47518.

The Antecedents

The spouses Juan Mollet and Silvina Del Monte were the owners of three parcels of land then located in the Municipality of Taguig (now a part of Muntinlupa City) identified as Lot Nos. 589, 590 and 591. The lots had a total area of 3,600 square meters, covered by Transfer Certificate of Title (TCT) No. 2180 issued by the Register of Deeds of Rizal. Their daughter, Josefa, died intestate on November 24, 1918 at the age of 25. Juan Mollet died intestate on January 30, 1934 and his widow died also, intestate, on March 22, 1948. They were survived by their daughter Romana Mollet, who married Andres Gelardo.^[3] Romana and Andres were blessed with five children, namely, Flaviana, Brigida, Maria, Isaac and Leonila, all surnamed Gelardo.^[4] Flaviana married Manuel Villanueva, and their marriage produced four offsprings, namely, Apolinario, Tiburcio, Manuel and Juanita (now deceased), all surnamed Villanueva.^[5] Juanita married Cornelio Maritana. The couple begot five children, namely, Luis, Orlando, Normita, Diego, and Julieta, all surnamed Maritima.

Brigida married Mariano Dullavin and they had two children, Rolando and Teodora, both surnamed Dullavin.^[6] Maria married Primo Tolentino and the couple had two children, Hermino and Carolyn.^[7] Leonila married Delfin Malacca and they had two sons, Gelardo and Marcial.^[8] Isaac died a bachelor and without any issue.^[9]

On March 17, 1965, a document denominated as Deed of Extrajudicial Settlement with Quitclaim^[10] covering Lot Nos. 589, 590 and 591 was executed by Maria and Leonila, surnamed Gelardo, Mariano Dullavin, Manuel, Juanita, Tiburcio and Apolonio, all surnamed Villanueva, and Emeterio, Celedonio, Domingo, Rosita and Carolina, all surnamed Moldes.

Lot 589 was divided as follows: Maria Gelardo, ¼ share; Emeterio Moldes, Domingo Moldes, Celedonio Moldes, Rosita Moldes, and Carolina Moldes Cedia, ½ share. It appears that the Villanueva siblings (Manuel, Tiburcio, Apolonio and Juanita) waived their ¼ share in favor of the Moldeses and Carolina.

Lot 590 was adjudicated as follows: Lot 590-B entirely to Leonila Gelardo; Lot 590-C was allotted to Emeterio Moldes, Domingo Moldes, Celedonio Moldes, Rosita Moldes, and Carolina Moldes Cedia; Lot 590-D was given to Maria Gelardo, Leonila Gelardo, Mariano Dullavin, Emeterio Moldes, Domingo Moldes, Celedonio Moldes, Rosita Moldes, and Carolina Moldes Cedia.

It appears that Mariano Dullavin and the Villanueva siblings waived their respective shares in Lot 590-B in favor of Leonila Gelardo; in Lot 590-C, to Emeterio Moldes, Domingo Moldes, Celedonio Moldes, Rosita Moldes, and Carolina Moldes Cedia; and, again in Lot D in favor of Maria Gelardo, Leonila Gelardo, Emeterio Moldes, Domingo Moldes, Celedonio Moldes, Rosita Moldes, and Carolina Moldes Cedia.

Lot 591 was partitioned as follows: $\frac{3}{4}$ share of Lot 591-A to Leonila Gelardo; $\frac{1}{4}$ share of Lot 591-A to Maria Gelardo; and Lot Nos. 591-B and 591-C to Celedonio Moldes.

It appears that Emeterio Moldes, Domingo Moldes, Rosita Moldes, Apolonio Moldes and Carolina Moldes Cedia, the Villanueva siblings, and Mariano Dullavin waived all their respective rights to the $\frac{3}{4}$ share of Lot 591-A given to Leonila Gelardo; to the $\frac{1}{4}$ share of Lot 591-A given to Maria Gelardo; and to Lot Nos. 591-B and 591-C awarded to Celedonio Moldes.

On January 26, 1987, Manuel Villanueva and his children, namely, Tiburio and Apolonio, and Mariano Dullavin and his children, namely, Rolando and Teodora, filed a Complaint with the Regional Trial Court (RTC) of Makati against Celedonio, Rosita and Carolina Cedia, all surnamed Moldes, to annul the Deed of Extrajudicial Settlement with Quitclaim. The complaint contained the following prayer:

WHEREFORE, it is most respectfully prayed of this Honorable Court to:

1. Order the rescission of the Extrajudicial Settlement with Quitclaim (Annex "B");
2. Order the defendants to pay plaintiffs the following:
 - a) Moral damages in the sum of P100,000;
 - b) Exemplary damages in the sum of P50,000;
 - c) Attorney's fee of P60,000 plus P450 per court appearance; and,
 - d) To pay the costs of suit.

Plaintiffs further pray for such other reliefs and remedies which are just and equitable under premises.^[11]

Plaintiffs Rolando and Teodora Dullavin also alleged that they never knew of any document wherein they repudiated their share in the estate of their great-grandparents. In fact, in the past, they had wanted to eject the Moldeses but their case was dismissed because of the questioned deed, which incidentally was the very first time they saw it. They pointed out that by reckoning, they were still minor when their father, Mariano, signed the questioned deed. Be that as it may, it was of

no moment, because their father had nothing to repudiate as he was not given any share in the estate of the spouses Mollet.^[12]

Plaintiffs Tiburio and Apolonio Villanueva alleged that they and their sister Juanita were entrusted by their father to their aunt, Leonila Gelardo, when they were eight years old, six years old and one year old, respectively; they lived with her until 1938 when they were married; as a result, they developed a deep respect for their aunt, so much so that they signed the deed believing that they would be getting their inheritance under the deed more expeditiously, not knowing that because of their illiteracy, they had relinquished their rights over their inheritance.

Plaintiffs Tiburcio, Apolonio and Manuel further alleged that they were hoodwinked by their aunt Leonila as well as Celedonio in parting with their inheritance. They claimed that being illiterate and unlettered, they did not understand the contents and the legal effects of the questioned deed. They explained that they signed the deed upon Leonila's representation and that what they were signing was just a partition of the estate of their great-grandparents. As it turned out and was revealed later, they were surprised to be excluded therefrom.^[13]

The plaintiffs alleged, *inter alia*, that the deed was tainted with fraud because it included Celedonio, Rosita and Carolina, who were not heirs of the spouses Mollet (whose estate was partitioned). They denied the defendants' allegation that they were Josefa's descendants, the latter having died single at the age of 25 and without issue.

In their answer, the defendants specifically denied that there was fraud or undue pressure in the execution of the questioned deed. They maintained that they were the direct descendants of the spouses Mollet, and successors-in-interest of Josefa Mollet from whom they derived their rights. According to them, long before she died, their grandmother Josefa married one Florencio Diaz. This matrimonial union begot Domingo Diaz and their mother, Dolores Diaz, who, in turn, married their father, Emeterio Moldes.^[14]

By way of special and affirmative defense, the defendants averred that the action had prescribed because more than 20 years had elapsed from execution of the questioned deed.^[15] As counterclaim, they prayed that the plaintiffs be adjudged to pay them the amounts of P100,000.00 for moral damages; P50,000.00, for exemplary damages; and P30,000.00, for attorney's fees.^[16]

The Ruling of the Regional Trial Court

On May 16, 1994, the RTC rendered a decision declaring that the Deed of Extrajudicial Settlement with Quitclaim was void. The dispositive portion thereof, reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiffs. It is the findings of this Court that since the consent of the plaintiffs were not freely given when they signed the document of the parties which they did not understand, but was obtained thru fraud, the Deed of Partition with Quitclaim is hereby ordered rescinded and voided.

The other great grandchildren, particularly the children of Brigida Mollet

Gelardo, married to Mariano Dullavin, being Rolando Dullavin and Teodora Dullavin, including the children of Maria Mollet Gelardo married to Primo Tolentino, being Hermino and Carolyn, were not given their share of their inheritance, all the more reason that this Deed of Partition with Waiver and Quitclaim should be rescinded and partition effected among all of the Plaintiffs as they probably are the only true heirs of spouses Juan Mollet and Silvina Del Monte.

Accordingly, the property should remain as the Estate of the late Spouses Juan Mollet and Silvina Del Monte Mollet.

As plaintiffs were forced to litigate, all Defendants are, jointly and solidarily, directed to pay the Plaintiffs actual damages in the sum of P100,000.00.

Defendants, jointly and solidarily, must pay moral damages for the trouble and anxiety caused to plaintiffs in the sum of P100,000.00 and as a deterrent to their propensity to covet what do not belong to them, Defendants must, jointly and solidarily, pay Plaintiffs exemplary damages of P100,000.00.

As Plaintiffs were forced to litigate thru counsel, Defendants must, jointly and *in solidum*, pay Attorney's fees in the sum of P50,000.00, and,

The cost of this proceedings.

It is SO ORDERED.^[17]

The RTC held that the Deed of Extrajudicial Settlement with Quitclaim was a sham. Through deceit and machinations, the plaintiffs, being illiterate at that, were "mislead, duped, railroaded and bamboozled" by the defendants in signing the deed and waiving their respective shares. In fact, the defendants never filed it in the Office of the Register of Deeds, an act "[giving] doubt to [its] existence and validity."

The RTC further ruled that the evidence showed that the defendants were not heirs of the spouses Mollet, whose estate was partitioned. According to the trial court, the defendants' own evidence belied their claim of heirship.

The defendants appealed the decision to the CA where they alleged, *inter alia*, that the RTC erred (1) in ruling that they were not heirs of the spouses Juan Mollet and Silvina Del Monte Mollet; (2) in voiding the Deed of Extrajudicial Settlement with Quitclaim on the ground of fraud; and (3) in awarding damages against them.^[18]

The Ruling of the Court of Appeals

On January 30, 2003, the CA affirmed with modification the decision of the RTC with this *fallo*:

WHEREFORE, the assailed decision dated 16 May 1994 is hereby AFFIRMED with MODIFICATION deleting the award of damages and attorney's fees.