

SIXTH DIVISION

[CA-G.R. CV No. 100727, June 26, 2014]

**SPS. ENRICO LARA AND VIVENCIA DALAGAN-LARA, PLAINTIFFS-
APPELLANTS, VS. ELSA DALAGAN BAGONGGAHASA, ET AL.
DEFENDANTS-APPELLEES.**

D E C I S I O N

ABDULWAHID, J.:

Before us is an appeal interposed by defendant-appellant from the Decision^[1] dated April 15, 2013 of the Regional Trial Court, Branch 91, Sta. Cruz, Laguna, in Civil Case No. SC-4222.

The relevant facts, as culled from the records of the case, are as follows:

The subject of the instant case is a parcel of land located at Longos (Kalayaan), Laguna, and consisted of 1,668 square meters. Said land is covered by Transfer Certificate of Title No. T-74581^[2] and registered under the name of "Rafaela Rivera (Dalagan), widow".

On May 3, 2002, Rafaela executed four Deeds of Absolute Sale over the subject lot in favor of her three daughters and two grandchildren, all defendants-appellees in the instant case, in accordance with the following division: (1) to Zenny Dalagan-Villanueva, 492 square meters^[3]; (2) to Julie Dalagan-Bucayu, 499 square meters^[4]; (3) to Elsa Dalagan-Bagonggahasa, 361 square meters^[5]; and (4) to minors Edwin L. Dalagan and Jenna L. Dalagan, as represented by their mother, Edna, 316 square meters^[6].

On August 2, 2002, plaintiffs-appellants Vivencia Dalagan-Lara, also a daughter of Rafaela, and her husband Enrico Lara filed before the RTC a Complaint^[7] for Annulment of Deeds of Sale and Damages against defendants-appellees. Plaintiffs-appellants averred that the subject land is an exclusive paraphernal property of Rafaela and that, on December 13, 2000, the latter executed in favor of plaintiffs-appellants a *Kasulatan ng Pagkakaloob*^[8] or Deed of Donation over a 300 square meter portion on the southern side of the said property. In addition, plaintiffs-appellants maintained that Rafaela had, through fraud, machination, intimidation, undue influence and cajoleries, been forced to execute and sign the four Deeds of Absolute Sale by Vivencia's sisters, defendants-appellants herein, as evidenced by the *Sinumpaang Salaysay*^[9] or Sworn Affidavit dated May 18, 2002 allegedly executed by Rafaela. In said Sworn Affidavit, Rafaela stated that her daughters, Zeny, Elsa and Julie, and her husband, Buenaventura, had forced her to sign the already prepared Deeds of Absolute Sale over the entire subject property, including the portion previously given by way of donation to Vivencia and her husband, and over which the latter were already operating a piggery. Rafaela further averred that the execution of the Deeds of Absolute Sale was against her will since she did not

wish to deprive her daughter Vivencia of her share in the property. Thus, plaintiffs-appellants prayed for the RTC to declare the nullity of the Deeds of Absolute Sale and to uphold the legality and validity of the Deed of Donation in their favor. In addition, they prayed for actual and moral damages, attorney's fees and cost of suit.

On September 13, 2002, defendants-appellees filed their Answer, wherein they denied plaintiffs-appellants' claims. Defendants-appellees alleged that, in 1974, while Rafaela and Buenaventura were living as common-law spouses without any legal impediment to marry each other, they purchased the subject property through their common funds, making them co-owners of the property. However, the same was registered under the name "Rafaela Rivera, widow" upon Buenaventura's suggestion, to prevent the latter's children from a previous marriage to make claims on the property. Thus, the Deed of Donation dated December 13, 2000, was null and void *ab initio* for failure to include Buenaventura's signature or consent thereon. On the other hand, defendants-appellants maintained that Rafaela freely and voluntarily executed and signed the Deeds of Absolute Sale, as evidenced by a later *Sinumpaang Salaysay*^[10] dated May 28, 2002, wherein Rafaela retracted her previous Affidavit and stated that she had not understood the contents thereof when she signed the same and that she had not been forced to sign the Deeds of Absolute Sale. Rafaela further alleged that she did not deprive Vivencia of the donated portion by virtue of the Deed of Donation since she also caused the preparation of another document, which her daughter Elsa signed, stating that the portion where the piggery had been built will be returned to Vivencia on the condition that the latter will redeem two parcels of land which she had sold and which was owned by Rafaela and Buenaventura. However, Rafaela denied that she intended to donate 300 square meters of land to Vivencia, the truth being that she only donated the portion containing the piggery itself. Thus, defendants-appellants prayed that the Complaint be dismissed, that the Deed of Donation dated December 13, 2000 be declared partially null and void *ab initio*, and that plaintiffs-appellants be ordered to pay defendants-appellees moral damages, attorney's fees and cost of suit.

During the pre-trial conference, the case was referred back to the barangay level for conciliation and/or arbitration. However, the same resulted in failure, thus, pre-trial proceedings before the RTC resumed, during which the parties stipulated on the following facts: 1) That the parties are brothers and sisters and that their mother is Rafaela Rivera Dalagan; and 2) That TCT No. 74581 Lot No. 121 is registered in the name of their mother Rafaela Rivera Dalagan.^[11]

On December 30, 2003, plaintiffs-appellants, upon order of the RTC, filed an Amended Complaint^[12], therein impleading Rafaela as an indispensable party to the case.

After due trial on the merits of the case, the RTC rendered the assailed *Decision*, disposing the case, as follows:^[13]

WHEREFORE, premises considered, judgment is hereby rendered:

1. The instant complaint is hereby dismissed;
2. The four (4) Deeds of Sale dated May 03, 2002 executed by Rafaela Rivera-Dalagan in favor of Zeny Dalagan-Villanueva, Julie Dalagan Bucayu, Elsa Dalagan-Bagonggahasa, Edwin L. Dalagan and Jenny L. Dalagan, respectively, is hereby declared valid;

3. The Deed of Donation dated December 13, 2000 is hereby declared null and void and of no force and effect;

4. No cost.

SO ORDERED.

Aggrieved, plaintiffs-appellants interposed the instant appeal on the basis of the following assignment of errors:^[14]

ASSIGNMENT OF ERRORS

- 1. The Trial Court erred in holding that the deed of donation in favor of the appellant is invalid while the four (4) deeds of sale in favor of the appellees are valid;**
- 2. The Trial Court erred in not considering the significance of the allegations under paragraph 7 of the appellees' Answer to the Complaint to the effect that the giving of 300 square meters to the herein appellants is partially null and void because it does not bear signature of Buenaventura Dalagan who is an alleged co-owner of the subject parcel of land; [and]**
- 3. The Trial Court erred in not considering the apparent intention of the deceased Rafaela Rivera Dalagan in respect to her exclusive property to be inherited by her five (5) children.**

We find no merit in the instant appeal.

Rafaela's marriage to Buenaventura having been solemnized on August 7, 1978, the system of conjugal partnership of gains governs their property relations in the absence of a marriage settlement, pursuant to Article 119 of the Civil Code of the Philippines.^[15] There being vested right in both spouses, the subsequent passage of the Family Code did not change their property regime to the system of absolute community property, as claimed by defendants-appellees.^[16]

However, since it is an undisputed fact that Rafaela was living in a common law relationship with Buenaventura, without any impediment to marry, at the time that the subject land was purchased and registered in her name in 1974, Article 147 or the Family Code, which remade and amended Article 144 of the Civil Code, should apply, viz:

Art. 147. When a man and a woman who are capacitated to marry each other, live exclusively with each other as husband and wife without the benefit of marriage or under a void marriage, their wages and salaries shall be owned by them in equal shares and the **property acquired by both of them through their work or industry shall be governed by the rules on co-ownership.**

In the absence of proof to the contrary, properties acquired while they lived together shall be presumed to have been obtained by their joint efforts, work or industry, and shall be owned by them

in equal shares. For purposes of this Article, a party who did not participate in the acquisition by the other party of any property shall be deemed to have contributed jointly in the acquisition thereof if the former's efforts consisted in the care and maintenance of the family and of the household. *[Emphasis supplied.]*

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The foregoing provisions of the law provide a disputable presumption that property acquired within a common law relationship without impediment to marry was acquired by the joint contribution of the common law spouses. Thus, in the instant case, there being no proof otherwise, it is legally presumed that said land was purchased by their joint contribution, making them co-owners of the same. Consequently, upon their marriage subsequent thereto, the subject land became part of their conjugal properties. That being said, Rafaela could not have validly donated the subject land, or any portion thereof, to Vivencia and her husband without the consent of Buenaventura, pursuant to Article 125 of the Family Code, which reads:

Art. 125. Neither spouse may donate any conjugal partnership property without the consent of the other. However, either spouse may, without the consent of the other, make moderate donations from the conjugal partnership property for charity or on occasions of family rejoicing or family distress.

With respect to plaintiffs-appellants' allegation that Rafaela's consent to the four Deeds of Absolute Sale was vitiated by "fraud, machination, intimidation, undue influence and cajoleries", the general and oft-repeated rule is that the party who alleges a fact has the burden of proving it.^[17] Thus, the burden rests on plaintiffs-appellants to prove the specific acts on the part of defendants-appellees which constituted fraud, machination, intimidation, undue influence and cajoleries. Under the Civil Code, the foregoing are particularly defined, as follows:

Art. 1335. There is violence when in order to wrest consent, serious or irresistible force is employed.

There is intimidation when one of the contracting parties is compelled by a reasonable and well-grounded fear of an imminent and grave evil upon his person or property, or upon the person or property of his spouse, descendants or ascendants, to give his consent.

To determine the degree of the intimidation, the age, sex and condition of the person shall be borne in mind.

A threat to enforce one's claim through competent authority, if the claim is just and legal, does not vitiate consent.

Art. 1337. There is undue influence when a person takes improper advantage of his power over the will of another, depriving the latter of a reasonable freedom of choice. The following circumstances shall be considered: the confidential, family, spiritual and other relations between the parties, or the fact that the person alleged to have been unduly influenced was suffering from mental weakness, or was ignorant or in financial distress.