H. SETTLEMENT OF ESTATE UPON DISSOLUTION OF MARRIAGE BY DEATH

AGTARAP v. AGTARAP

G.R. Nos. 177099 & 177192, June 8, 2011 (Second Division)

Brief Facts

Joaquin Agtarap died intestate on November 21, **1964. He had contracted two marriages:**

- **First marriage to Lucia Garcia (died April 24, 1924), with whom he had three children:** Jesus (died without issue), Milagros, and Jose (who died in 1967, survived by his children Gloria, Joseph, and Teresa).
- **Second marriage to Caridad Garcia (February 9, 1926), with whom he also had three children:** Eduardo, Sebastian, and Mercedes (survived by her daughter Cecile).

Upon his death, Joaquin left two parcels of land with improvements in Pasay City (TCT Nos. 38254 and 38255). In 1994, his son **Eduardo** filed a petition for judicial settlement of Joaquin's intestate estate before the RTC of Pasay City.

Joseph, Teresa, and Gloria (children of Jose, from the first marriage) opposed, claiming the properties belonged to the **conjugal partnership of Joaquin and Lucia** (his first wife), and that upon Lucia's death, they became pro indiviso owners ("for an undivided part." It describes a form of joint ownership where two or more people share a property, but no one owns a specific, physical part of it). They argued the properties should be treated as part of the first marriage's conjugal property.

The **RTC** initially issued an Order of Partition (October 23, 2000) treating the properties as largely belonging to the second marriage (Joaquin and Caridad) since the titles were registered in the name of Joaquin "married to Caridad Garcia." However, **after motions for reconsideration**, the **RTC reversed itself** on August 27, 2001, declaring the properties belonged to the conjugal partnership of Joaquin and **Lucia**, and directed the partition to reflect the correct distribution among the heirs.

Eduardo and Sebastian appealed to the Court of Appeals (CA), which **affirmed** the RTC resolution and partitioned the properties accordingly — giving Lucia's conjugal half and distributing Joaquin's three-fourths estate among the heirs of both marriages. Both Eduardo and Sebastian elevated the case to the Supreme Court.

Issues and Rulings

Issue 1: Whether the RTC, acting as an intestate court, had jurisdiction to resolve the question of ownership of the subject properties (i.e., whether they belonged to the first or second conjugal partnership).

RULING: YES. The **general rule** is that a probate or intestate court cannot adjudicate title to properties claimed by adverse parties. However, this rule is subject to exceptions: (1) where the probate court provisionally passes upon inclusion/exclusion of property from the inventory; and (2) **where the interested parties are all heirs to the estate, or the question is collateral (such as whether property is conjugal or exclusive), and the rights of third parties are not impaired.** Here, all parties were heirs of Joaquin, no third-party rights were impaired, and the determination of whether the properties were conjugal was **merely collateral** to the settlement of the estate. Hence, the intestate court properly exercised jurisdiction.

Issue 2: Whether the properties covered by TCT Nos. 38254 and 38255 belong to the conjugal partnership of Joaquin and Lucia Garcia or to that of Joaquin and Caridad Garcia.
RULING: NO. The annotations on the TCTs showed that the phrase referencing Caridad was merely an **amendment replacing Lucia's name** by court order. Before that substitution, Lucia, upon her death in 1924, had already left as her estate **one-half (1/2) of her conjugal share** in the property, which was carried over to the derivative titles. The Court held that the phrase "married to Caridad Garcia" is **merely descriptive of Joaquin's civil status** and does not prove acquisition during coverture with Caridad.
A certificate of title under the Torrens system **cannot be used as an instrument for the deprivation of ownership.** The properties were thus properly declared conjugal to Joaquin and Lucia.

Issue 3: Whether the CA erred in distributing the estate of Lucia, Jesus, Jose, Mercedes, and Gloria together with Joaquin's estate.
Ruling; NO, (*Section 1, Rule 90, Rules of Court: The court shall assign the residue of the estate to the persons entitled, naming them and their proportions*.)The Court ruled that the CA did not err because the RTC had jurisdiction to determine who are the lawful heirs of Joaquin and their respective shares. ….The inclusion of Lucia, Jesus, Jose, Mercedes, and Gloria was a necessary consequence of settling Joaquin's estate, as they are his legal heirs.

Issue 4: Did the CA err in distributing the share of Milagros given the pending probate of her will?
RULING: YES (partially). Pursuant to the **doctrine of precedence of testate over intestate proceedings(**Courts should refrain from distributing a share when there is a pending probate of a will that may affect the distribution.), since a separate proceeding for the probate of Milagros' purported will (bequeathing her share to Eduardo) was pending before RTC Branch 108, prudence dictated that Milagros' share **not be distributed** until the probate of her will is finally determined.

Can the estate be considered settled merely because the inheritance tax was already paid in 1965?
RULING: NO. Under **Section 1, Rule 90 of the Rules of Court**, the estate is **distributed only when the court assigns the residue to the persons entitled,** after payment of debts, funeral charges, expenses of administration, allowance to the widow, and inheritance tax. **Payment of inheritance tax, per se, does not settle an estate.**

Special Proceedings Principles on Settlement of Estate Upon Dissolution of Marriage by Death

1. **Section 2, Rule 73, Rules of Court** — When the marriage is dissolved by the death of the husband or wife, the **community (conjugal) property shall be inventoried, administered, and liquidated, and the debts thereof paid, in the testate or intestate proceedings of the deceased spouse.** If both spouses have died, the conjugal partnership shall be liquidated in the testate or intestate proceedings of **either**. This gives the settlement court jurisdiction to ascertain which properties are conjugal so that the proper estate of the decedent may be determined.
2. **Doctrine of collateral matters** — The question of whether a property is conjugal or exclusive is **collateral to the settlement and distribution of the estate**, and thus within the competence of the probate/intestate court to resolve, especially where all parties are heirs.
3. **Consolidation of settlement proceedings of both spouses** — A settlement proceeding for the intestate estate of the deceased first spouse (Lucia) should be **consolidated with** the settlement proceedings of the surviving spouse who remarried (Joaquin), since the conjugal partnership dissolution necessarily implicates both estates.
4. **Torrens Title does not defeat true ownership** — The inscription of a spouse's name on a TCT is not conclusive proof of conjugal acquisition; the descriptive civil status phrase does not override evidence tracing actual conjugal ownership.

Disposition
The petition in G.R. No. 177192 (Sebastian) was **DENIED**, while G.R. No. 177099 (Eduardo) was **PARTIALLY GRANTED**. The CA Decision was **AFFIRMED with modifications**: (a) Milagros' share shall not be distributed until final determination of the probate of her will; and (b) Sebastian, who died on January 15, 2010, shall be represented by his compulsory heirs. The case was remanded to the RTC, Branch 114, Pasay City for further proceedings. *(Eduardo G. Agtarap v. Sebastian Agtarap, G.R. No. 177099, June 8, 2011)*

Purita Alipio vs. Court of Appeals, et al.

G.R. No. 134100 | September 29, 2000 | Second Division | 395 Phil. 661
[*Purita Alipio vs. Court of Appeals, et al.*, G.R. No. 134100, September 29, 2000]

Nature of the Case: A petition for review on certiorari assailing the decision of the Court of Appeals which affirmed the trial court's ruling that a surviving spouse could be sued in an ordinary collection suit for a debt chargeable against the conjugal partnership.

Brief Facts
Respondent **Romeo Jaring** was the lessee of a 14.5-hectare fishpond in Bataan under a five-year lease. On June 19, **1987**, **he subleased the fishpond to the spouses Placido and Purita Alipio and the spouses Bienvenido and Remedios Manuel.** The total rent was **P485,600.00,** payable in **two installments — P300,000.00** upon signing **and P185,600.00** due on June 30, 1989**.**

The first installment was paid, but the second was only partially satisfied, leaving an unpaid balance of P50,600.00. On **October 13, 1989**, **Jaring sued the Alipio and Manuel spouses** <u>for collection before the Regional Trial Court.(</u>Branch 5, Dinalupihan, Bataan.)

However, **petitioner Purita Alipio's husband, Placido Alipio**, had died on **December 1, 1988**—more than ten months before the collection suit was filed. **Purita** moved to dismiss the case against her, arguing that the debt was chargeable against the conjugal partnership and that the proper remedy was to file a claim in the settlement of her late husband's estate

The **trial court** denied the motion, holding that since Purita herself was a party to the sublease contract, she could be independently impleaded. The Manuel spouses failed to answer and were declared in default. On February 26, 1991, the trial court ordered Purita and the Manuel spouses to pay the P50,600.00 balance plus attorney's fees and costs. The Court of Appeals affirmed.

Issues and Ruling
First Issue: Whether a creditor can sue the surviving spouse in an ordinary proceeding to collect a debt chargeable against the conjugal partnership, or whether the claim must instead be filed in the settlement of the decedent's estate.

Ruling: No, an ordinary collection suit cannot be maintained against the surviving spouse. The Court held:

- Under **Article 1611 of the Civil Code**, the conjugal partnership is liable for debts and obligations contracted by the husband for the benefit of the partnership, and those contracted by the wife for the same purpose where she may legally bind the partnership.
- When one spouse dies, the conjugal partnership is **automatically dissolved**, <u>and debts chargeable against it must be paid in the settlement of estate proceedings</u>. Under **Rule 73, Sec. 2** of the Rules of Court, <u>when the marriage is dissolved by death, the community property</u>

must be inventoried, administered, and liquidated, and its debts paid in the testate or intestate proceedings of the deceased spouse.

.(Following *Calma v. Taedo*,)after the death of either spouse, no complaint for the collection of indebtedness chargeable against the conjugal partnership can be brought against the surviving spouse; the claim must be made in the proceedings for the liquidation and settlement of the conjugal property.

The reason is that upon the death of one spouse, the powers of administration of the surviving spouse cease and pass to the administrator appointed by the court having jurisdiction over the estate settlement proceedings. Where a complaint is brought against the surviving spouse for recovery of an indebtedness chargeable against the conjugal partnership, any judgment obtained thereby is **void**.

Second Issue: Was the liability of the sublessees joint or solidary?

Ruling: The liability was merely **joint**, not solidary. Under Article 1207 of the Civil Code, solidarity is not presumed; it exists only when the obligation expressly so states or when the law or the nature of the obligation requires it. The sublease contract did not provide for solidary liability among the sublessees—the contract merely stated the total rental amount to be paid "by the Sub-Lessees." Thus, the P50,600.00 unpaid balance should be divided into two, with each couple (Alipios and Manuels) liable for P25,300.00.

Special Proceedings Principles / Rule Provisions Applied

1. **Rule 3, Section 20 (1997 Rules of Civil Procedure)** — When an action is for recovery of money arising from contract and the defendant dies before entry of final judgment, the action shall not be dismissed but shall continue until final judgment; a favorable judgment shall be enforced in the manner especially provided for prosecuting claims against the estate of a deceased person.
2. **Rule 73, Section 2 (Rules of Court)** — When a marriage is dissolved by the death of a spouse, the community property shall be inventoried, administered, and liquidated, and the debts thereof paid in the **testate or intestate proceedings** of the deceased spouse. If both spouses have died, the conjugal partnership shall be liquidated in the testate or intestate proceedings of either.
3. **Article 1611, Civil Code (now Article 1212, Family Code)** — The conjugal partnership is liable for all debts and obligations contracted by the husband for the benefit of the conjugal partnership, and those contracted by the wife for the same purpose in cases where she may legally bind the partnership.
4. **Article 1751, Civil Code (now Article 1261, Family Code)** — The conjugal partnership is automatically dissolved upon the death of either spouse.
5. **Rule 78, Section 6 (Revised Rules of Court)** — A principal creditor of a deceased person may apply in court for letters of administration if, after thirty days from the decedent's death, the surviving spouse failed to apply for administration or request that administration be granted to some other person.
6. **Rule 79, Section 2 (Rules of Court)** — Petition for letters of administration in intestacy.
7. **Rule 76, Section 1 (Rules of Court)** — Petition for allowance of a will.
8. **Article 1207 and 1208, Civil Code** — Solidarity is not presumed; where the contrary does not appear from law, nature, or the wording of the obligation, the obligation is presumed joint, and the debt is divided into as many equal shares as there are debtors.

Disposition

The petition was **GRANTED**. Bienvenido Manuel and Remedios Manuel were ordered to pay P25,300.00 plus attorney's fees of P10,000.00 and costs. The complaint against petitioner Purita Alipio was dismissed **without prejudice** to private respondent filing a claim in the proceedings for the settlement of the estate of Placido Alipio for the collection of the Alipios' share (P25,300.00) in the unpaid balance of the rent. [*Purita Alipio vs. Court of Appeals, et al.*, G.R. No. 134100, September 29, 2000]

Doctrinal Takeaway: This case firmly establishes that where an obligation is chargeable against the conjugal partnership, a creditor cannot short-circuit estate settlement proceedings by suing the surviving spouse in an ordinary action. The proper remedy lies in filing a claim before the estate settlement court—an essential principle in special proceedings governing liquidation of conjugal property upon the death of a spouse.

Maria Calma, et al. vs. Esperanza Tañedo, et al.

G.R. No. 44602 | November 28, 1938 | 66 Phil. 594
(*In re the Testamentary Proceedings of Fausta Macasaquit*)

BRIEF FACTS OF THE CASE
Spouses **Eulalio Calma** and **Fausta Macasaquit** owned a piece of property as their **conjugal property**. They were likewise indebted to **Esperanza Tañedo** chargeable against the conjugal property, in the amounts of P348.34 and P247, with interest at 10% per annum.

On October 10, 1933, **Fausta Macasaquit died**, leaving a will appointing her daughter **Maria Calma** as administratrix of her properties. Probate proceedings were commenced in the Court of First Instance of Tarlac, and Maria Calma was duly appointed judicial administratrix.

While the probate proceedings were still pending, **Esperanza Tañedo**, on **January 27, 1934**, filed a separate complaint **against Eulalio Calma** (the surviving husband) for the recovery of the sums of P948.34 and P247. The trial court rendered judgment against Eulalio Calma for the payment of these sums.

The Court of First Instance rendered judgment in favor of Tañedo. in execution thereof the conjugal property was **sold by the sheriff** — despite a third-party claim filed by the administratrix.

Maria Calma sued to annul the sheriff's sale and to have the estate declared the sole owner of the property. The trial court dismissed her complaint; she appealed.

ISSUE/S AND RULING
Issue #1: Whether Eulalio Calma, having ceased as legal administrator of the conjugal property upon the death of his wife Fausta Macasaquit, can be sued for the recovery of an indebtedness chargeable against the conjugal property.
Ruling: No. The Supreme Court ruled that Under Act No. 3176, once a testamentary proceeding is instituted, the liquidation and partition of the conjugal property should be made exclusively in that proceeding. Upon the death of the wife, the husband's power of management ceases and passes to the administrator appointed in the testamentary proceeding. Since the debt was chargeable against the conjugal property and the testamentary proceeding was pending, the claim must be filed in that proceeding, not against the husband personally.

Issue #2: Whether the sheriff's sale of the conjugal property in execution of a judgment against Eulalio Calma is void.
YES. *(Section 685 of the Code of Civil Procedure, as amended by Act No. 3176: Any sale, transfer, alienation or disposition of community property effected without the formalities established by this Code for the sale of the property of deceased persons shall be null and void, except as regards the*

portion that belonged to the vendor at the time the liquidation and partition was made.) The sale of the property was made in execution of a judgment rendered against Eulalio Calma for a debt chargeable against the conjugal property. Since the testamentary proceedings had been instituted and the property was included among the inventoried properties subject to those proceedings, the sale without the required formalities was void. The property should be deemed subject to the testamentary proceedings.

SPECIAL PROCEEDINGS PRINCIPLES / RULE PROVISION

"When the marriage is dissolved by the death of the husband or wife, the community property shall be inventoried, administered and liquidated, and the debts thereof shall be paid **in the testamentary or intestate proceedings of the deceased spouse** in accordance with the provisions of this Code relative to the administration and liquidation of the estates of deceased persons, **or** in an ordinary liquidation and partition proceeding..."

"In case it is necessary to sell any portion of said community property in order to pay the outstanding debts... such sale shall be made in the manner and with the formalities established by this Code for the sale of the property of deceased persons. **Any sale, transfer, alienation or disposition of said property effected without said formalities shall be null and void**, except as regards the portion that belonged to the vendor..."

From this, the Court laid down the following governing principles on the settlement of conjugal estate upon dissolution of marriage by death:

1. Alternative, not cumulative, remedies. The remedies of (a) instituting testate or intestate proceedings for settlement of the deceased spouse's estate, or (b) instituting an ordinary action for liquidation and partition of the conjugal property, are **alternative and not cumulative**. They cannot be availed of at the same time, else an "anomalous and chaotic situation" would result if the conjugal property were administered and liquidated in both a testamentary proceeding and an ordinary action simultaneously (*citing Caragay vs. Urquiza, 53 Phil. 72*). Once the testamentary proceedings were instituted, the liquidation and partition of the conjugal property had to be made in those proceedings, to the exclusion of any other proceeding.

2. Cessation of the surviving spouse's administration. Upon dissolution of the marriage by the death of the wife, the husband's legal power of management **ceases** and passes to the administrator appointed by the court in the testate or intestate proceedings, if there are debts to be paid (*citing Cruz vs. De Jesus, 52 Phil. 870; Ona vs. De Gala, 58 Phil. 881*).

3. Claims must be presented before the committee on claims. Being an indebtedness chargeable against the conjugal property, the creditor's claim had to be filed in the testamentary proceedings of the deceased spouse before the **committee on claims**, and thereafter, if aggrieved, by appeal to the Court of First Instance in an ordinary action against the judicial administratrix.

4. Conjugal property becomes subject to the testamentary proceedings. Belonging to the conjugal partnership, the property should be included among the inventoried properties of the testamentary proceedings; and any disposition of it without the required formalities is **void**.

CONCLUSION

Because Eulalio Calma had already ceased to be the legal administrator of the conjugal property upon his wife's death, no ordinary complaint for the recovery of the conjugal indebtedness could be brought against him; the claim had to be prosecuted in the testamentary proceedings. The sheriff's sale in execution of the judgment against him was therefore **void**, and the property was deemed subject to the testamentary proceedings for all purposes. The appealed judgment was reversed, without costs.

I. PROBATE JURISDICTION

In Re: Petition for the Allowance of Will Proved Outside of the Philippines and Administration of Estate Under Rule 77 of the Rules of Court (Allison Lynn Akana, Petitioner)
G.R. No. 269883 | May 13, 2024 | Second Division
BRIEF FACTS
Lynetta Jatico Sekiya was an American citizen residing in Honolulu, Hawaii, United States. **She died on February 13, 2017**, and was survived by her husband, **Stanley Tsugio Sekiya**, and two daughters, one of whom is the petitioner, Allison Lynn Akana.

In Lynetta's last will and testament, she **named Allison as her personal representative**. On September 17, **2019,** the will was informally admitted to probate by the Circuit Court of the First Circuit of the State of Hawaii, and Letters Testamentary were issued in Allison's favor (renewed in 2022).

Among the properties included in Lynetta's estate was **a parcel of land located in Pardo, Cebu City**, covered by TCT No. 110116 and Tax Declaration No. GRC6-12-079-00010, with a **gross value of PHP 896,000.00**.
In 2022, Allison filed a Petition for Allowance of Will Proved Outside the Philippines and Administration of Estate under Rule 77 before the MTCC, Branch 11, Cebu City. However, the **MTCC dismissed** the petition for lack of jurisdiction, reasoning that such petitions should be filed before the RTC (as "Court of First Instance").

Allison subsequently filed a similar petition before the RTC in Cebu City. On July 12, 2023, **the RTC** also dismissed the petition for lack of jurisdiction, holding that B.P. Blg. 129, as amended by Republic Act No. 11756, gives first-level courts exclusive original jurisdiction over probate proceedings where the estate value does not exceed PHP 2,000,000.00. Since Lynetta's estate was worth only PHP 896,000.00, the RTC concluded it had no jurisdiction.
Allison's motion for reconsideration was denied on August 24, 2023, prompting her to file Petition for Review on Certiorari directly with the Supreme Court.

ISSUE/S
1. Whether the RTC erred when it dismissed Allison Lynn Akana's Petition for reprobate for lack of jurisdiction.

On the substantive issue (jurisdiction over reprobate. The Court held that the RTC erred in dismissing the petition for lack of jurisdiction. It incorrectly conflated **probate** with **reprobate** proceedings and applied the jurisdictional thresholds under **B.P. Blg. 129, as amended by R.A. No. 11756**, which determine jurisdiction in probate proceedings based on the value of the estate. **Reprobate**, however, is a distinct proceeding governed by **Rule 77, Section 1 of the Rules of Court**. Its purpose is to authenticate and allow a foreign will that has already been probated abroad, with the inquiry focusing on the jurisdiction and proceedings of the foreign court—not on the value of the estate. Since reprobate is not included within the phrase **"in all matters of probate"** under B.P. Blg. 129, jurisdiction over reprobate proceedings belongs to the **RTC regardless of the value of the estate**.

(The Court held that the RTC conflated two distinct legal processes:
- **Probate** is a proceeding to determine the extrinsic validity of a will—that is, whether the document is indeed the decedent's last will, whether the prescribed execution formalities were complied with, and whether the testator had testamentary capacity at the time of execution. In *Heirs of Lasam v. Umengan* and *Dorotheo v. Court of Appeals*, the Court explained that probate deals generally with the extrinsic validity of wills.
- **Reprobate**, on the other hand, is a special proceeding to establish the validity of a will already proved in a foreign country. It is specifically governed by **Rule 77 of the Rules of Court**. In

reprobate, the local court acknowledges as binding the findings of the foreign probate court, provided its jurisdiction over the matter can be established. The evidence required for reprobate (per *Vda. de Perez v. Tolete*) is: (1) the due execution of the will in accordance with foreign laws; (2) the testator had his domicile in the foreign country, not the Philippines; (3) the will has been admitted to probate in that country; (4) the fact that the foreign tribunal is a probate court; and (5) the foreign laws on procedure and allowance of wills.

Citing *Palaganas v. Palaganas*, the Court emphasized that probate and reprobate are two different proceedings governed by different sets of rules. Since reprobate is a distinct legal process, the re-authentication of a foreign will **cannot be subsumed** under the phrase "in all matters of probate, testate, or intestate" found in B.P. Blg. 129. Consequently, **B.P. Blg. 129 and its subsequent amendments (including R.A. 11756) did not modify Rule 77, Section 1 of the Rules of Court, and jurisdiction over reprobate proceedings remains with the RTC** (formerly the Court of First Instance).)

2. Preliminary/Procedural issue: Whether direct recourse to the Supreme Court was proper notwithstanding that Allison bypassed the Court of Appeals.

On the procedural issue (direct recourse): The Court held that direct recourse to the Supreme Court was proper because the Petition raised a pure question of law—specifically, which court has jurisdiction over reprobate proceedings. Under Rule 41, Section 2(c) and Rule 45, appeals raising only questions of law go directly to the Supreme Court. There is a question of law when the issue does not call for an examination of the probative value of evidence and the doubt concerns the correct application of law and jurisprudence.

SPECIAL PROCEEDINGS PRINCIPLES / RULES PROVISION APPLIED

1. **Rule 77, Section 1 of the Rules of Court** – "Will proved outside Philippines may be allowed here: Wills proved and allowed in a foreign country, according to the laws of such country, may be allowed, filed, and recorded by the proper Court of First Instance in the Philippines." This clearly vests jurisdiction over reprobate proceedings in the RTC (as successor to the CFI).
2. **Article 838 of the Civil Code** – "No will shall pass either real or personal property unless it is proved and allowed in accordance with the Rules of Court." This underscores the mandatory nature of probate/reprobate as a matter of public policy.
3. **Distinction between Probate and Reprobate** – A fundamental principle in special proceedings: probate addresses the extrinsic validity of a will, while reprobate is merely the re-authentication of a foreign will already probated abroad. Probate determines whether a will is extrinsically valid; reprobate fundamentally determines whether the foreign court that probated the will had jurisdiction to do so.
4. **Rule 41, Section 2 / Rule 45, Section 2** – Modes of appeal. Where only questions of law are raised, appeal shall be taken directly to the Supreme Court by petition for review on certiorari.
5. **Statutory interpretation principle (ubi lex non distinguit nec nos distinguere debemos)** – Relied upon by the RTC below (though ultimately rejected by the Court's application of the probate/reprobate distinction).

The case is significant in special proceedings jurisprudence because it clarifies that the jurisdictional threshold based on estate value introduced by R.A. 11756 and B.P. Blg. 129 applies only to original probate proceedings, not to reprobate of foreign wills, which remain within the exclusive jurisdiction of the RTC regardless of estate value.

Emilio B. Pacioles, Jr., et al. vs. Miguela Chuatoco-Ching

G.R. No. 127920 | August 9, 2005 | Third Division | Ponente: Justice Sandoval-Gutierrez

Facts of the Case

Miguelita Ching-Pacioles died intestate on **March 13, 1992**, leaving **real properties** valued at around Php 10.5 million, **stock investments** worth Php 518,783, **bank deposits** of about Php 6.54 million, and interests in certain businesses. She was **survived by her husband**, petitioner **Emilio B. Pacioles Jr**., and their two minor children.

Petitioner filed **a petition for the settlement of Miguelita's estate with the RTC** (quezon city) **on August 20, 1992**, praying for letters of administration to be issued in his name and for the net residue of the estate to be divided among the compulsory heirs. The respondent, Miguela Chuatoco-Ching (**Miguelita's mother**), opposed the petition. She claimed she had a "direct and material interest" in the estate because she had allegedly given half of her inherited properties to Miguelita on the condition that they would become business partners and undertake business endeavors together.

On **April 20, 1994**, the intestate court appointed **Emilio and Emmanuel Ching** as **joint regular administrators**. Although notice to creditors was published, **no claims were filed** against the estate. Emilio submitted an inventory of Miguelita's estate, but Emmanuel failed to submit his own inventory.

On **May 17, 1995**, the intestate court declared petitioner and his two minor children as the only compulsory heirs. On **July 21, 1995**, **Emilo** filed an omnibus motion seeking the payment of estate taxes, partition and distribution of the estate, and payment of attorney's fees. **Respondent(miguela) opposed** this, arguing that partition was "premature" because there had yet to be a determination of whether the properties were conjugal, paraphernal, or owned in a joint venture. She claimed that the bulk of the estate was hers.

On **January 17, 1996**, the intestate court **denied the partition and distribution as premature**, ruling that a hearing was first necessary to determine whether the properties were **conjugal, paraphernal, or co-owned**. The court specifically set a hearing to determine the propriety of Miguela's ownership claim. The denial was maintained in the **May 7, 1996 Resolution**.

Emilio then filed **certiorari with the Court of Appeals**, but the CA **dismissed the petition**, finding no grave abuse of discretion in the intestate court's decision to entertain Miguela's ownership claim. Hence, the petition for review on certiorari before the Supreme Court

II. Issue with Ruling

Issue : Whether a trial court acting as an intestate court may hear and pass upon questions of ownership involving properties claimed to be part of the decedent's estate

Ruling: NO. The Supreme Court **GRANTED** the petition and **REVERSED** the Decision and Resolution of the Court of Appeals The Court held that the intestate court **overstepped its jurisdiction** when it scheduled a hearing to resolve the respondent's claim of ownership over the properties.

The General Rule: The jurisdiction of a trial court acting as an intestate or probate court relates only to matters having to do with the settlement of the estate and probate of the will of deceased persons. It does **not** extend to the determination of questions of ownership that arise during the proceedings. Such a court exercises special and limited jurisdiction.

The Recognized Exception: An intestate or probate court may hear and pass upon questions of ownership **only** when its purpose is to determine whether a particular property should be included in the inventory of estate properties. In such instances, the adjudication is merely incidental and provisional, and is subject to the final decision in a separate action to resolve title.

Application to the Case: The exception did not apply here because:

1. The inventory was **not disputed**. Respondent expressly adopted the inventory prepared by petitioner, taking exception only to the low valuation of the real estate properties.
2. Emmanuel (respondent's son and co-administrator) did not submit his own inventory, showing that he acquiesced to the petitioner's inventory.

The Court found that the respondent's real purpose was not to determine what should be included in the inventory, but to secure from the intestate court a **final determination** of her claim of ownership over the bulk of Miguelita's estate. This went beyond the jurisdiction of the intestate court.

The Court also emphasized that the properties in the inventory were covered by the **Torrens System** and registered in the name of Miguelita alone or with the petitioner. Under P.D. 1529 (The Property Registration Decree), a certificate of title is not subject to collateral attack and cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.
The Court further noted that the respondent's claim was weak and unsupported:

- She could not itemize or specify which properties belonged to her.
- She had no document proving her alleged gift or business partnership with her daughter.
- Her bases for her claim constantly shifted — from "paraphernal properties" to "business partners."

Nonetheless, the Court stressed that its ruling does not deprive the respondent of whatever rights she believes she has over the properties. Her proper remedy is to file a **separate ordinary action** before the RTC in the exercise of its **general jurisdiction**, which is the only proper forum to finally resolve her adverse claim of ownership over the estate's properties.

III. Special Proceedings Principles and Rules Provisions Applied

1. Limited and Special Jurisdiction of Probate/Intestate Courts

The jurisdiction of the trial court, whether acting as an intestate or probate court, relates **only to matters having to do with the settlement of the estate and probate of wills** of deceased persons. It **does not extend to the determination of questions of ownership** that arise during the proceedings, because such court exercises **special and limited jurisdiction**. (*Sanchez v. Court of Appeals*, G.R. No. 108947, September 29, 1997, 279 SCRA 647; *Jimenez v. Intermediate Appellate Court*, G.R. No. 75773, April 17, 1990, 184 SCRA 367, which expressly stated: "It is hornbook doctrine that in a special proceeding for the probate of a will the question of ownership is an extraneous matter which the probate court cannot pass upon with finality. This pronouncement no doubt applies with equal force to an intestate proceeding.")

2. The Well-Recognized Deviation: Incidental and Provisional Determination

An intestate or probate court **may** hear and pass upon questions of ownership **only when its purpose is to determine whether or not a property should be included in the inventory**. In such situations, the adjudication is merely **incidental and provisional**—not conclusive—and remains subject to the final decision in a separate action to resolve title. (*Pastor, Jr. v. Court of Appeals*, G.R. No. L-56340, June 24, 1983, 122 SCRA 885.)
Here, however, the facts showed that this exception did **not** apply: the inventory itself was **not disputed** (respondent expressly adopted it), and no independent inventory was submitted excluding respondent's claimed properties. Respondent's true purpose was to secure a **final determination of her ownership claim**.

3. Ownership Dispute Must Go to a Court of General Jurisdiction

When a question arises as to the ownership of property alleged to be part of the estate but claimed by another **by title adverse to the deceased and his estate** (not by virtue of any right of inheritance), such question **cannot be determined in the course of intestate or probate proceedings** and must be submitted to the RTC in the exercise of its general jurisdiction. (*Baybayan v. Aquino*, No. L-42678, April 9, 1987, 149 SCRA 186; *Sanchez v. Court of Appeals*, supra.)

4. Inventory and Administration (Section 1, Rule 83, Rules of Court)

The Court noted that the co-administrator's mandate was "to submit within three months after his appointment a true inventory and appraisal of all the real and personal estate of the deceased which have come into his possession or knowledge." Emmanuel's failure to submit an inventory excluding respondent's claimed properties was treated as **acquiescence** to petitioner's inventory.

5. Conclusiveness of Torrens Title under P.D. 1529 (Property Registration Decree)

Section 48 of P.D. 1529 provides that **a certificate of title shall not be subject to collateral attack** and "cannot be altered, modified or cancelled except in a direct proceeding in accordance with law." Citing *Bolisay v. Alcid* (L-45494, August 31, 1978, 85 SCRA 213), the Court held that where property is covered by a Torrens title, its presumptive conclusiveness should be given due weight; the holder should be considered the owner until the title is nullified or modified in an **appropriate ordinary action**, and ownership cannot be litigated as a mere incident in special proceedings for the settlement of the estate.

6. Expeditious Settlement of Estate Proceedings

The petition also invoked the settled policy that **estate proceedings must be settled expeditiously**, and that an intestate court cannot indefinitely defer the partition and distribution of the estate to accommodate a claim that properly belongs before a court of general jurisdiction.

IV. Dispositive

The Court ruled that respondent's recourse was to file a **separate ordinary action** before the RTC in its general jurisdiction; the intestate court was not the appropriate forum for her adverse claim of ownership. The petition was **GRANTED**, and the assailed Decision (dated September 25, 1996) and Resolution (dated January 27, 1997) of the Court of Appeals in CA-G.R. SP No. 41571 were **REVERSED**.

KEY TAKEAWAY: This case firmly reiterates the doctrine that in special proceedings for the settlement of an estate (whether testate or intestate), the probate court has only **limited and special jurisdiction**. It cannot adjudicate with finality disputes over title to properties claimed by third parties by adverse title. The only exception is the provisional/incidental determination of whether a property should be included in the inventory, and even then, conflicting claims of title must ultimately be resolved in an ordinary action before a court of general jurisdiction, especially where a Torrens title is involved.

In the Matter of the Intestate Estate of the Deceased Ismael Reyes

G.R. No. 139587 | November 22, 2000 | Third Division | 399 Phil. 282

This is a petition for review on certiorari seeking to annul the decision of the Court of Appeals in CA-G.R. CV No. 46761, which affirmed the Order of the Regional Trial Court, Branch 96, Quezon City, in Special Proceeding No. 89-2519.

BRIEF FACTS OF THE CASE

Spouses Ismael Reyes and Felisa Revita Reyes were the registered owners of parcels of land situated in Arayat Street, Cubao, Quezon City, covered by TCT Nos. 4983 and 3598/39303. They had seven children: Oscar, Araceli, Herminia, Aurora, Emmanuel, Cesar, and Rodrigo, all surnamed Reyes.

When **Ismael Reyes died intestate on April 18, 1973**, he had an unsettled income tax deficiency with the **Bureau of Internal Revenue (BIR)** of an income tax deficiency arising from his sale of a parcel of land in Tandang Sora, Quezon City. Because no one paid the liability (which grew to about P172,724.40), the BIR levied, sold, and eventually forfeited the property covered by TCT No. 4983 in favor of the government.

In 1976, **Oscar Reyes** availed of the BIR tax amnesty and redeemed the property (TCT 4983) for a reduced amount of about P18,000. Later, in 1986, Oscar also settled the real estate tax delinquency of the properties with the City Treasurer of Quezon City through an amnesty compromise agreement.

On May 10, 1989, private respondent **Cesar Reyes**, Oscar's brother, filed a petition for issuance of letters of administration with the RTC of Quezon City, seeking his appointment as administrator of the estate of the deceased Ismael Reyes, which estate included 1/2 of the Arayat properties. **Oscar** filed a conditional opposition, claiming that the Arayat properties did not form part of the estate as he had acquired them by redemption and/or purchase. The **probate cour**t nonetheless issued letters of administration in favor of Cesar Reyes and ordered him to submit an inventory. Cesar filed an inventory that included the Arayat properties. **Oscar objected, reiterating his claim of ownership through redemption**.

After hearing the evidence, the **probate court** issued an Order dated January 26, 1994, modifying the inventory and declaring that one-half of the Arayat Street properties belonged to the estate, but stressed that this determination was *provisional in character* and without prejudice to any action on the issue of ownership. **Oscar** appealed to the Court of Appeals, which affirmed the probate court's order. **Oscar died during the pendency of the appeal and was substituted by his heirs (the petitioners herein)**. The petitioners filed this petition for review on certiorari.

ISSUES WITH RULING

Issue 1: Whether the probate court correctly included one half (1/2) of the Arayat properties covered by TCT Nos. 4983 and 3598/39303 in the inventory of the estate of the deceased Ismael Reyes.

Ruling: yes.

The Court held that the probate court acted within its jurisdiction in provisionally including the Arayat properties in the inventory because the determination of ownership was only for the purpose of inventory and was expressly made provisional, without prejudice to a separate action. The properties remain titled in the names of the spouses Ismael and Felisa Reyes, and the Torrens title is incontestable until set aside in accordance with law.

Law/Doctrine:

•**Limited Jurisdiction of Probate Court:** The probate court's jurisdiction relates to matters of settlement of estate and probate of wills; the question of ownership is as a rule an extraneous matter which the probate court cannot resolve with finality. For the purpose of determining whether a property should be included in the inventory, the probate court may pass upon the title thereto but such determination is provisional and subject to a separate action to resolve title. (G.R. No. 139587)

Issue 2: Whether the probate court has jurisdiction to determine the issue of ownership conclusively?

Ruling: No.

The Court found that the exception did not apply because the parties did not submit the issue of ownership for final resolution; the probate court allowed evidence on ownership only for the purpose of determining inclusion in the inventory. There was no showing that all parties interested consented to the submission of the ownership question, and the probate court itself declared it was not competent to rule on ownership of the entire Arayat property.

Law/Doctrine:
•**Exception to the Limited Jurisdiction of Probate Court**: The probate court cannot determine the issue of title to property claimed by a third person adversely to the decedent unless the claimant and all other parties having legal interest in the property consent expressly or impliedly to the submission of the question to the probate court, or the interests of third persons are not prejudiced.

On the finality of the ruling. The Court stressed that the determination that the properties be included in the inventory is merely provisional and does not preclude Oscar (or his heirs) from filing a separate ordinary action in the proper court to establish their ownership rights over the properties. Accordingly, the Torrens-title protection applies — the properties remain titled in the names of the spouses Ismael and Felisa Reyes, which is endowed with incontestability until set aside in the proper manner.

On the procedural issue. The Court also rejected the private respondent's claim that the petition was filed one day late. The petitioners received the assailed decision on August 13, 1999, and timely filed their motion for extension and subsequent petition within the granted periods.

DISPOSITION
Disposition: The petition for review on certiorari was **DENIED**.

SPECIAL PROCEEDINGS PRINCIPLES / RULES

1. **Limited Jurisdiction of Probate Courts.** The jurisdiction of a probate (intestate/special proceeding) court merely relates to the settlement of the estate, the probate of wills of deceased persons, and the appointment and removal of administrators, executors, guardians, and trustees. *(Ramos vs. CA, 180 SCRA 635)*
2. **Ownership as an Extraneous Matter.** As a general rule, the question of ownership is an extraneous matter which the Probate Court cannot resolve with finality. For the limited purpose of determining whether a property should or should not be included in the inventory of estate proceedings, the probate court may pass upon the title thereto, but such determination is **provisional, not conclusive**, and is subject to the final decision in a separate action to resolve title. *(Pastor Jr. v. CA, 122 SCRA 885; Baybayan v. Aquino, 149 SCRA 186; Pereira v. CA, 174 SCRA 154; Valera v. Inserto, 149 SCRA 533)*
3. **Exception to the Rule.** The probate court may take cognizance of a question of title where the claimant and all other parties having legal interest in the property consent, expressly or impliedly, to the submission of the question to the Probate Court for adjudication, provided the interests of third persons are not prejudiced. *(Trinidad v. CA, 202 SCRA 106)*
4. **Torrens Title Incontestability.** Properties still titled under the Torrens system in the names of the decedent and spouse are endowed with incontestability until set aside in the manner indicated by law. *(Bolisay v. Alcid, 85 SCRA 213)*
5. **Provisional Inclusion Without Prejudice.** A probate court's determination that property be included in the inventory is only provisional in character, not conclusive, and is subject to the final decision in a separate action. Any ruling in the special proceeding does not preclude the oppositor from prosecuting an ordinary action to establish ownership. *(Valera v. Inserto, 149 SCRA 533; Baybayan v. Aquino, 149 SCRA 186)*

Republic of the Philippines vs. Sandiganbayan (Special Second Division), et al.

G.R. Nos. 207340 and 207349, September 16, 2020 (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020)

I. Brief Facts of the Case

On **December 19, 2003**, customs agents at the San Francisco International Airport seized **US$100,000.00** of undeclared cash from the two sons of retired Major General Carlos F. Garcia, who both pleaded guilty to bulk cash smuggling and making false statements. Their mother, Clarita Garcia, executed statements before US customs officials attesting that the funds came from her husband's salary as a two-star general and from family corporations, adding that Garcia, as a military comptroller, "often receives gratuities" from businesses awarded military contracts, including "gifts and gratitude money."

On **April 5, 2005**, the Office of the Special Prosecutor filed an **Information for plunder** against Garcia, his wife, and their three children for allegedly amassing ill-gotten wealth totaling at least **P303,272,005.99**. Separate cases for plunder and money laundering (violation of R.A. 9160) were later consolidated before the **Sandiganbayan**. Garcia pleaded not guilty to both charges. His petition for bail was denied on the ground that the evidence of guilt was strong.

On **March 16, 2010**, as the prosecution was about to rest its case, the Office of the Special Prosecutor and Garcia filed a **Joint Motion for Approval of Plea Bargaining Agreement**, approved and signed by then-Ombudsman Merceditas Gutierrez. Under the agreement, Garcia withdrew his plea of not guilty to plunder and offered to plead guilty to the lesser offense of **indirect bribery**, and to plead guilty to the lesser offense of **facilitating money laundering**; in exchange, he ceded **P135,433,387.84** worth of cash, real, and personal properties to the government. The Sandiganbayan approved the agreement and directed Garcia to execute the deeds of conveyance.

The **Office of the Solicitor General (OSG)** later filed a **Motion for Intervention**, claiming it had the mandate to protect the public weal and that the Armed Forces of the Philippines was an indispensable party. It sought to nullify the Plea Bargaining Agreement, calling it "grossly disadvantageous." The Sandiganbayan **denied** the OSG's intervention. The OSG then filed a **Petition for Certiorari** with the Supreme Court. Former Ombudsman Simeon Marcelo was allowed to intervene in support of the petition (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

II. The Issues and Their Rulings

Issue 1: Whether the Office of the Solicitor General could validly intervene in the plunder case before the Sandiganbayan.

Ruling: NO. The Supreme Court ruled that while the OSG is the government's law office with broad powers under Section 35, Book IV, Title III, Chapter 12 of the Administrative Code of 1987, its power of representation is **neither absolute nor limitless**. The OSG's authority must be **harmonized** with statutes that endow other government bodies with the power to represent the government. Here, the mandate to represent the government in proceedings before the Sandiganbayan generally lies with the **Office of the Ombudsman**, a **constitutional** body. The only exception is for **Marcos ill-gotten wealth cases** under Executive Order No. 14 (1986), where the OSG prosecutes in representation of the PCGG — which is not the situation in this case. Allowing the OSG to question the prosecutorial discretion of the Special Prosecutor would impliedly grant it supervision or control over a constitutional organ, which cannot be countenanced (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

Issue 2: Whether the Plea Bargaining Agreement was validly entered into.

Ruling: YES. The Court found the Plea Bargaining Agreement procedurally sound. The lesser offense of **direct bribery** was necessarily included in the charged offense of **plunder** because some essential elements of plunder constitute direct bribery, under Rule 120, Section 5 of the Rules of Court.

Similarly, **facilitating money laundering** (Sec. 4(b), R.A. 9160) was necessarily included in the original charge of money laundering. The Court declined to interfere with the substance or wisdom of the agreement, as this fell within the Ombudsman's mandate of prosecuting erring public officials. Given the prosecution's failure to prove Garcia's guilt for plunder and money laundering beyond reasonable doubt (the prosecution itself admitted it could not find contractors or suppliers to substantiate the charges), the Sandiganbayan **cannot be said to have gravely abused its discretion** in approving the agreement. The **Petition for Certiorari was DISMISSED** and the Temporary Restraining Order was lifted (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

III. Special Proceedings Principles and Rules Provisions Applied

Although this case arose primarily from criminal proceedings before the Sandiganbayan, it engages several principles and rule provisions that are highly relevant to special proceedings practice:

1. The Nature of Special Proceedings and the Office of the Solicitor General's Role (Section 35[1], Administrative Code of 1987). The decision reiterates that the OSG "shall represent the Government in the Supreme Court and the Court of Appeals in all criminal proceedings [and] represent the Government in all civil actions and **special proceedings**." This is a defining feature of how special proceedings (e.g., civil forfeiture, petitions for certiorari, and intervention) are prosecuted by the State. However, the Court emphasized that this mandate is **not plenary** and must yield to statutes that assign exclusive or primary representation to other agencies (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

2. Intervention (Rule 19, Rules of Court). The issue of the OSG's and former Ombudsman Marcelo's intervention underscores the rules on intervention: a would-be intervenor must possess a **legal interest** in the matter in litigation, or have standing to be joined as a party.
Marcelo's intervention was allowed based on his asserted status as a taxpayer and the "transcendental importance" of the matter, whereas the OSG's intervention was properly **denied** because the government was already represented by the Office of the Ombudsman and the OSG could not "cherry-pick its jurisdiction" (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

3. Control vs. Supervision (Pimentel Jr. v. Aguirre, G.R. No. 132988, citing Drilon v. Lim). The Court distinguished **control** (the power to lay down rules and discretion to modify or replace them) from **supervision** (merely ensuring rules are followed). Since the OSG is a statutory creature, it could not exercise supervision or control over the Office of the Ombudsman, an independent constitutional body (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

4. Plea Bargaining (Rule 116, Section 2; Rule 118, Section 1[a], Revised Rules of Criminal Procedure). Though procedural in criminal cases, the Court's discussion of Rule 116, Section 2 — requiring that a plea to a lesser offense be "necessarily included in the offense charged" and be made with the **consent of the offended party and the prosecutor** — parallels the standards of due process, consent, and strict construction that govern special proceedings and compromise/forfeiture proceedings. The Court also cited *People v. Kayanan* and *Daan v. Sandiganbayan* for the yardstick that a plea to a lesser offense is permitted only where there is insufficient evidence to establish guilt (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

5. The Forfeiture of Ill-Gotten Wealth (Section 2, R.A. 7080, as amended). The plunder law's mandate that "the court shall declare any and all ill-gotten wealth and their interests ... forfeited in favor of the State" is a special-proceedings-type remedy built into the criminal framework, and the Plea Bargaining Agreement effectively accomplished such forfeiture through the cession of P135 million in assets to the government (Republic of the Philippines vs. Sandiganbayan, G.R. Nos. 207340 and 207349, September 16, 2020).

In sum, the case stands for the proposition that the State's representation before courts through the OSG, though broad, is bounded by the constitutional and statutory mandates of other bodies — particularly the Ombudsman — and that courts will defer to the prosecutorial discretion exercised over agreements like plea bargains, so long as the statutory requisites and due process are observed and no grave abuse of discretion is shown.

J. SETTLEMENT OF THE ESTATE OF A PERSON PRESUMPTIVELY DEAD

ANGELITA VALDEZ v. REPUBLIC OF THE PHILIPPINES

G.R. No. 180863 | September 8, 2009 | Third Division, J. Nachura

I. BRIEF FACTS

Petitioner **Angelita Valdez** married **Sofio Polborosa** on **January 11, 1971** in Pateros, Rizal, under the regime of the **Civil Code** (the Family Code had not yet taken effect, as it only became operative in 1988).

They **had one child, Nancy**, born December 13, 1971. The couple argued constantly because Sofio was unemployed and did not provide for the family. In March 1972, Sofio left the conjugal dwelling. In **March 1972**, **Sofio left their conjugal dwelling**, and in May 1972, **Angelita returned to her parents' home** in Camiling, Tarlac. Three years passed without a word from Sofio.

Then, in **October 1975**, and, after several hours of conversation, they agreed to separate and executed a document to that effect. That was the **last time Angelita saw him**. She never heard from him again — not even about his whereabouts or whether he was alive.

Believing Sofio to be dead, Angelita married **Virgilio Reyes on June 20, 1985** — again under the Civil Code, as the Family Code was not yet in force. Years later**, Virgilio's application** for naturalization with the United States Department of Homeland Security was denied on the ground that Angelita's marriage to Sofio was still subsisting. This prompted Angelita to file, on **March 29, 2007**, a **Petition before the RTC of Camiling, Tarlac** seeking the **declaration of the presumptive death of Sofio**.

The **RTC dismissed the Petition for lack of merit**, ruling that under **Article 41 of the Family Code**, Angelita failed to prove a "well-founded belief" that Sofio was dead — especially since she admitted she made no honest-to-goodness search for him and even prevented her own daughter from looking for him. **Petitioner moved for reconsideration,** arguing that the **Civil Code** should apply (since the 1971 marriage preceded the Family Code) and that applying the stricter Family Code would impair her **vested rights. The RTC denied the motion**. The **OSG** took Angelita's side, recommending that the Petition be granted — it argued that the "well-founded belief" requirement (an innovation of the Family Code) did not exist during the 1985 marriage and therefore should not be retroactively imposed.

II. ISSUES AND RULING

Issue #1: Whether the RTC erred in applying Article 41 of the Family Code, instead of the Civil Code, to the petition for declaration of presumptive death of Sofio Polborosa.

Ruling: *Yes, the RTC erred.* Since both marriages (1971 to Sofio, and 1985 to Virgilio) were celebrated under the **Civil Code**, the governing provisions were **Article 83, par. 2, and Article 390 of the Civil**

Code — NOT Article 41 of the Family Code.(1988). The Court held that the Family Code's **retroactive effect (Art. 256)** cannot apply where it would prejudice or impair **vested or acquired rights**.

Retroactively imposing the "well-founded belief" standard would invalidate a marriage that was perfectly valid at its celebration in 1985 — an untenable outcome contrary to the Family Code's own objectives.

Applying the Civil Code: since Sofio was last seen in **October 1975**, the seven-year period lapsed in **October 1982**, and he was **presumed dead by operation of law** starting that date. Angelita's marriage to Virgilio on **June 20, 1985** was therefore contracted when **no impediment to her capacity to marry existed**, making the marriage **valid** under paragraph 2 of Article 83.

Issue 2: Whether the appeal properly lies under Rule 45 on a pure question of law.
Ruling: *Yes.* The facts were undisputed; the controversy related only to the correct application of law and jurisprudence to those settled facts. A question of law exists when doubt arises as to *what the law is* on a given set of facts, not as to the truth or falsity of the facts themselves. The Petition for Review on Certiorari was therefore properly taken.

Issue 3 (the decisive special-proceedings point): Whether a standalone petition for the judicial declaration of presumptive death of an absentee is a proper? or authorized special proceeding.
Ruling: *No.* The Court denied the Petition (affirming the RTC's dismissal, though on **different grounds**). It reasoned that under the Civil Code the presumption of death arises **by operation of law** — no judicial declaration is needed or authorized. Because the presumption is merely **juris tantum** (disputable and rebuttable), a judicial decree upon it **can never attain finality or res judicata** **(**legal rule that stops people from filing a new lawsuit about the same claim or issue after a court has already made a final decision on it), and is therefore **useless, unnecessary, superfluous, and of no benefit** to the petitioner.

[Dispositive Result]: The **Petition was DENIED** — no decree on Sofio's presumptive death could be granted under the Civil Code since the presumption had already arisen by operation of law. Nevertheless, the Court **expressly declared that Angelita was capacitated to marry Virgilio in 1985 and that their marriage is legal and valid.**

The Court in this case carefully distinguished between two entirely different legal purposes for which the presumption of death may be invoked: First, **the declaration of absence** (or the settlement of the absentee's estate) and, **second, the presumption of death for purposes of remarriage**

The Settlement of the Estate is the ONLY Context Where Presumption of Death Can Be Adjudicated- *The presumption of death cannot be the subject of court proceedings independent of the settlement of the absentee's estate."*

This means that the presumption of death under the Civil Code is not a free-floating fact that a court may merely declare in the abstract. Rather, it is a *merely evidentiary presumption (juris tantum)* — a rule of evidence that permits a court to presume a person is dead once the fact of seven years of absence is established. This presumption can only operate within the framework of an actual controversy or special proceeding — and the settlement of the absentee's estate is precisely the special proceeding that gives it substantive life.

In *Szatraw*, the Court specifically observed that the petition there was not for the settlement of the estate of the absent husband because he possessed no property in the marriage and had acquired none during their married life. This observation was pivotal: it demonstrated that the presumption of death, standing alone with no estate to settle and no right to be enforced, could not support a judicial proceeding.

III. SPECIAL PROCEEDINGS PRINCIPLES — IN VIEW OF THE SETTLEMENT OF THE ESTATE OF A PERSON PRESUMPTIVELY DEAD

This case is the leading authority on the crucial distinction between the **presumption of death** (a mere rule of evidence) and the **settlement of the estate** of a presumptively dead person (a proper special proceeding). The Court, drawing heavily from **In re Szatraw (81 Phil. 461, 1948)**, **Lukban v. Republic (98 Phil. 574, 1956)**, and **Gue v. Republic (107 Phil. 381, 1960)**, laid down the following governing principles:

1. The presumption of death under the Civil Code arises by operation of law; no judicial declaration is required.

Under **Article 390 of the Civil Code**, after an absence of seven years, and if it is unknown whether the absentee still lives, the absentee is **presumed dead for all purposes except those of succession** (for the opening of succession, a longer period of ten years is required; only five years if the absentee disappeared after age 75). The Court stressed that this presumption is **established by law** and needs no court pronouncement to arise. In this case, Sofio was presumed dead starting **October 1982**, exactly seven years after his last appearance.

2. The presumption of death is a mere rule of evidence — it cannot stand alone as the subject of a special proceeding.

Quoting *Szatraw*, the Court declared that "The rule invoked... is merely one of **evidence** which permits the court to presume that a person is dead after the fact that such person had been unheard from in seven years had been established." This presumption **may arise and be invoked in a case** — either in an action or in a **special proceeding** — submitted to a competent court. But **"independently of such an action or special proceeding, the presumption of death cannot be invoked nor can it be made the subject of an action or special proceeding."** A bare petition asking merely that a person "be presumed dead" is thus **not authorized by law**.

3. The settlement of the estate is the proper and valid setting within which the presumption may be invoked.

This is the cornerstone of the case in relation to the settlement of the estate of a presumptively dead person. The Court, echoing prior jurisprudence, explained:

"For the purposes of the civil marriage law, it is not necessary to have the former spouse judicially declared an absentee. The **declaration of absence** made in accordance with the provisions of the Civil Code **has for its sole purpose to enable the taking of the necessary precautions for the administration of the estate of the absentee.**"

In *Szatraw* itself, the Court denied the petition precisely because it was "**not for the settlement of the estate** of Nicolai Szatraw," since it did not appear the absentee had property — the invocation of the presumption was thus detached from any estate to administer. The clear implication is that **when the presumptively dead person leaves an estate, the proper special proceeding is the settlement of that estate**. It is *within* that proceeding — and only there — that the presumption of death properly operates, allowing the appointment of an administrator and the administration and distribution of the absentee's property.

4. A valid special proceeding must finally determine a right, status, or particular fact capable of becoming *res judicata*.

Citing **Hagans v. Wislizenus (42 Phil. 880)**, the Court emphasized that for a special proceeding to prosper, the court "must decide **finally** the controversy between the parties or determine **finally** the right or status of a party or establish **finally** a particular fact out of which certain rights and obligations arise." Only then does the decree attain the binding force of **res judicata**. A mere declaration that a person is "presumptively dead" does not meet this standard, because the presumption is only a **prima facie, disputable presumption** — it "cannot reach the stage of finality or become final." Proof of *actual* death would still have to be made in another proceeding. Accordingly, a judicial decree on a merely presumptive basis, being incapable of finality, is **useless, unnecessary, superfluous, and of no benefit** to the petitioner.

5. Practical significance for estate settlement.

The practical upshot is that settling the estate of a presumptively dead person is a legitimate special proceeding founded on the presumption of death, but the presumption itself cannot be the *subject* of a standalone petition. Because the estate settlement proceeding involves the **final determination of rights over the absentee's property** (appointment of administrator, inventory, payment of debts, distribution among heirs), it supplies the "particular fact" or "status" that can attain **finality and res judicata**. It is in that proceeding — not in an isolated petition for presumptive death — that the presumption is properly invoked, judicially recognized, and given practical effect. Had Sofio left an estate, the appropriate remedy would have been the settlement of that estate; since the petition before the Court did not involve any estate, it was denied as unauthorized and superfluous.

In sum, the case establishes that under the Civil Code: (1) the presumption of death of an absentee arises **automatically by law** after seven years of absence; (2) this presumption is merely an **evidentiary rule** that can be invoked only within an action or a proper special proceeding; (3) the **settlement of the estate** of a presumptively dead person is the proper special proceeding for giving effect to that presumption, since the declaration of absence under the Civil Code serves the sole purpose of enabling the administration of the absentee's estate; and (4) a **standalone petition** for the declaration of presumptive death, not tied to any estate, is **unauthorized, useless, and non-justiciable** because a presumption *juris tantum* can never attain the finality and *res judicata* that a proper special proceeding requires.