



Republic of the Philippines
Supreme Court
Baguio City

SUPREME COURT OF THE PHILIPPINES
PUBLIC INFORMATION OFFICE
RECEIVED
JUN 04 2019
BY: JOME
TIME: 4:12 PM

SECOND DIVISION

SPOUSES ISIDRO R. SALITICO
AND CONRADA C. SALITICO

Petitioners,

G.R. No. 240199

Present:

- versus -

CARPIO, J., Chairperson,
PERLAS-BERNABE,*
CAGUIOA,
J. REYES, JR., and
LAZARO-JAVIER, JJ.

HEIRS OF RESURRECCION*
MARTINEZ FELIX, NAMELY:
LUCIANO, CORAZON AND
CONCEPCION, ALL SURNAMED
FELIX, RECAREDO P.
HERNANDEZ, IN HIS CAPACITY AS
ADMINISTRATOR OF THE ESTATE
OF AMANDA H. BURGOS, AND THE
REGISTER OF DEEDS,

Respondents.

Promulgated:

10 APR 2019

[Signature]

x-----x

DECISION

CAGUIOA, J.:

Before the Court is a Petition for Review on *Certiorari*¹ (Petition) under Rule 45 of the Rules of Court filed by petitioners Spouses Isidro R. Salitico (Isidro) and Conrada C. Salitico (Conrada) (collectively referred to as the petitioners Sps. Salitico), assailing the Decision² dated October 19, 2017 (assailed Decision) and Resolution³ dated June 7, 2018 (assailed Resolution) of the Court of Appeals (CA) Twelfth Division and Special Former Twelfth Division, respectively, in CA-G.R. CV No. 105166.

* Also indicated as "Ressureccion" in some parts of the records.

* On leave.

¹ *Rollo*, pp. 10-22.

² Id. at 23-33; penned by Associate Justice Henri Jean Paul B. Inting, with Associate Justices Apolinario D. Bruselas, Jr. and Leoncia R. Dimagiba concurring.

³ Id. at 40-41; penned by Associate Justice Henri Jean Paul B. Inting, with Associate Justices Apolinario D. Bruselas, Jr. and Eduardo B. Peralta, Jr. concurring.

[Signature]

The Facts and Antecedent Proceedings

As narrated by the CA in the assailed Decision and based on the records of the instant case, the essential facts and antecedent proceedings of the case are as follows:

The instant case stemmed from a Complaint⁴ for Specific Performance with Damages (Complaint) filed on February 15, 2011 by the petitioners Sps. Salitico against the respondents Heirs of Resurreccion Martinez Felix (Resurreccion); namely: Luciano, Corazon, and Concepcion, all surnamed Felix (collectively referred to as the respondents heirs); Recaredo P. Hernandez (Recaredo), in his capacity as Administrator of the Estate of Amanda H. Burgos (Amanda); and the Register of Deeds of Bulacan (RD). The case was heard before the Regional Trial Court of Malolos City (RTC), Branch 20 and was docketed as Civil Case No. 73-M-2011.

Amanda is the registered owner of a 1,413-square-meter parcel of land registered in her name under Original Certificate of Title No. (OCT) P-1908, located in Bambang, Bulacan (subject property).

By virtue of a document entitled *Huling Habilin ni Amanda H. Burgos*⁵ dated May 7, 1986 (*Huling Habilin*), the subject property was inherited by the niece of Amanda, Resurreccion, as a devisee. The pertinent provision of the *Huling Habilin* provides:

Sa aking pamangkin na si RESURRECCION MARTINEZ-FELIX, 'RESY', ay aking inaaboy ang apat (4) na parselang lupang palayan na napapaloob sa mga titulong sumusunod:

x x x x⁶

Thereafter, Resurreccion, as the new owner of the subject property, executed a document entitled *Bilhang Tuluyan ng Lupa*⁷ dated November 10, 1998, which transferred ownership over the parcel of land in favor of the petitioners Sps. Salitico. The latter then took physical possession of the subject property.

Subsequently, a proceeding for the probate of the *Huling Habilin* was undertaken before the RTC, Branch 22 (Probate Court). Respondent Recaredo was appointed as the executor of the *Huling Habilin*. The latter then filed and presented the *Huling Habilin* before the Probate Court, which approved it on February 6, 2008. The Probate Court likewise issued a Certificate of Allowance on January 12, 2009.

⁴ The Complaint (Records [Vol. I], pp. 3-8) was amended on March 28, 2011 (Records [Vol. I], pp. 41-48) and further amended on March 30, 2011 (Records [Vol. I], pp. 80-87).

⁵ Records (Vol. I), pp. 161-164.

⁶ Id. at 65.

⁷ Id. at 9-10.



On March 9, 2010, the petitioners Sps. Salitico received a demand letter requiring them to vacate the subject property and surrender possession over it to the respondents heirs. To protect their interest over the subject property, the petitioners Sps. Salitico executed an Affidavit of Adverse Claim dated March 17, 2009, which was however denied registration by the respondent RD on November 3, 2009.

In their Complaint before the RTC, the petitioners Sps. Salitico sought the delivery and return in their favor of the owner's duplicate copy of OCT P-1908 and the execution of the corresponding Deed of Absolute Sale by way of confirming the *Bilhang Tuluyan ng Lupa*. They likewise prayed that OCT P-1908 be cancelled and a new one be issued in their names. Lastly, they also demanded payment of attorney's fees, moral and exemplary damages, and reimbursement for litigation expenses.

On February 11, 2013, the petitioners Sps. Salitico filed their Motion for Summary Judgment,⁸ which was, however, denied by the RTC in its Order⁹ dated June 5, 2013. The petitioners Sps. Salitico filed their Motion for Reconsideration, which was partially granted by the RTC in its Order dated September 18, 2013.¹⁰ The RTC issued a partial summary judgment in favor of the petitioners Sps. Salitico, ordering the respondent RD to register the petitioners' Affidavit of Adverse Claim dated March 17, 2009. The Pre-Trial of the case was concluded on September 26, 2013. Thereafter, trial ensued.

The Ruling of the RTC

On June 6, 2014, the RTC rendered its Decision¹¹ dismissing the Complaint for lack of cause of action. The dispositive portion of the said Decision reads:

WHEREFORE, premises considered the Complaint dated 7 February 2011 is hereby dismissed for lack of cause of action.

SO ORDERED.¹²

In its Decision, the RTC found that Resurreccion had indeed validly sold the subject property which she inherited from Amanda to the petitioners Sps. Salitico. Nevertheless, the RTC held that the action filed by the petitioners Sps. Salitico is premature on the ground that it was not shown that the Probate Court had already fully settled the Estate of Amanda, even as it was not disputed that the *Huling Habilin* had already been allowed and certified. Hence, the RTC dismissed the Complaint for the sole reason that the petitioners Sps. Salitico's cause of action had supposedly not yet accrued, as the Estate of Amanda has not yet been fully settled by the Probate Court.

⁸ Id. at 303-306.

⁹ Records (Vol. II), pp. 456-461.

¹⁰ *Rollo*, pp. 43-48. Penned by Presiding Judge Mirasol O. Dychingco.

¹¹ Records (Vol. II), pp. 604-618.

¹² *Rollo*, pp. 26-27.



The petitioners Sps. Salitico filed their Motion for Reconsideration, which was denied in the RTC's Order dated May 26, 2015.¹³

Hence, on June 16, 2015, the petitioners Sps. Salitico filed their Notice of Appeal, which was granted by the RTC on June 18, 2015. The appeal was given due course by the CA.

The Ruling of the CA

In the assailed Decision, the CA dismissed the appeal due to the pendency of the probate proceedings before the Probate Court, citing Rule 75, Section 1 of the Rules of Court, which states that no will shall pass either real or personal estate unless it is proved and allowed in the proper court. The CA also cited Rule 90, Section 1, which states that no distribution shall be allowed until the payment of debts, funeral charges, and expenses of administration, allowance to the widow, and inheritance tax have been made, unless the distributees or any of them give a bond in a sum fixed by the court conditioned on the payment of the said obligations.

The petitioners Sps. Salitico filed their Motion for Reconsideration dated November 9, 2017,¹⁴ which was denied by the CA in the assailed Resolution.

Hence, this appeal *via* Petition for Review on Certiorari¹⁵ under Rule 45 of the Rules of Court. The respondents heirs filed their Comment¹⁶ dated November 9, 2018.

Issue

Stripped to its core, the Court is asked to rule on whether the CA erred in upholding the RTC's Decision dated June 6, 2014 and Order dated May 26, 2015, which dismissed the petitioners Sps. Salitico's Complaint for Specific Performance due to lack of cause of action.

The Court's Ruling

The instant Petition is partly meritorious.

It is not disputed that by virtue of the decedent Amanda's will, *i.e.*, *Huling Habilin*, Resurreccion inherited the subject property as the designated devisee. The respondents heirs themselves admit that Resurreccion is a testamentary heir of Amanda.¹⁷

It is likewise not disputed that Resurreccion sold her interest over the subject property by executing a document entitled *Bilhang Tuluyan ng Lupa*

¹³ Id. at 50-52.

¹⁴ Id. at 34-39.

¹⁵ Id. at 10-22.

¹⁶ Id. at 62-68.

¹⁷ Id. at 64.



in favor of the petitioners Sps. Salitico who then proceeded to take physical possession of the subject property. In fact, in the assailed Decision, the CA recognized that the RTC itself had held that “Resurreccion **validly sold** to [the petitioners Sps. Salitico] all her rights in the [subject property] which she inherited from Amanda H. Burgos as part of her undivided share in the estate of the latter.”¹⁸

Article 777 of the Civil Code, which is substantive law, states that the rights of the inheritance are transmitted from the moment of the death of the decedent. Article 777 operates at the very moment of the decedent’s death – meaning that the transmission by succession occurs at the precise moment of death and, therefore, at that precise time, the heir is already legally deemed to have acquired ownership of his/her share in the inheritance, “and not at the time of declaration of heirs, or partition, or distribution.”¹⁹ Thus, there is no legal bar to an heir disposing of his/her hereditary share immediately after such death.²⁰ The Court, early on in *Teves de Jakosalem v. Rafols, et al.*,²¹ explained that a sale made by a legal or intestate heir of his share in an inheritance does not interfere with the administration of the estate.

As applied to the instant case, upon the death of Amanda, Resurreccion became the absolute owner of the devised subject property, subject to a resolatory condition that upon settlement of Amanda’s Estate, the devise is not declared inofficious or excessive. Hence, there was no legal bar preventing Resurreccion from entering into a contract of sale with the petitioners Sps. Salitico with respect to the former’s share or interest over the subject property.

In a contract of sale, the parties’ obligations are plain and simple. The law obliges the vendor to transfer the ownership of and to deliver the thing that is the object of sale to the vendee.²² Therefore, as a consequence of the valid contract of sale entered into by the parties, Resurreccion had the obligation to deliver the subject property to the petitioners Sps. Salitico. In fact, it is not disputed that the physical delivery of the subject property to the petitioners Sps. Salitico had been done, with the latter immediately entering into possession of the subject property after the execution of the *Bilhang Tuluyan ng Lupa*. Therefore, considering that a valid sale has been entered into in the instant case, there is no reason for the respondents heirs to withhold from the petitioners Sps. Salitico the owner’s duplicate copy of OCT P-1908. To reiterate, Resurreccion already sold all of her interest over the subject property to the petitioners Sps. Salitico. Therefore, the respondents heirs have absolutely no rhyme nor reason to continue possessing the owner’s duplicate copy of OCT P-1908.

¹⁸ *Id.* at 27; emphasis supplied.

¹⁹ RUBEN F. BALANE, *JOTTINGS AND JURISPRUDENCE IN CIVIL LAW (SUCCESSION)* 27 (2016 Edition); underscoring supplied.

²⁰ *Testate Estate of Josefa Tangco, et al. v. Tasiana Vda. De Borja*, 150-B Phil. 486, 497-498 (1972).

²¹ *See* 73 Phil. 628 (1942).

²² *Philippine National Bank v. Teresita Tan Dee, et al.*, 727 Phil. 473, 481 (2014).



Nevertheless, the existence of a valid sale in the instant case does not necessarily mean that the RD may already be compelled to cancel OCT P-1908 and issue a new title in the name of the petitioners Sps. Salitico.

According to Section 92 of Presidential Decree No. (PD) 1529, otherwise known as the Property Registration Decree, with respect to the transfer of properties subject of testate or intestate proceedings, a new certificate of title in the name of the transferee shall be issued by the Register of Deeds only upon the submission of a certified copy of the partition and distribution, together with the final judgment or order of the court approving the same or otherwise making final distribution, supported by evidence of payment of estate tax or exemption therefrom, as the case may be. The said provision provides:

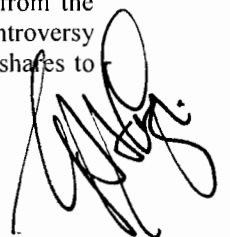
Section 92. *Registration of final distribution of estate.* A certified copy of the partition and distribution, together with the final judgment or order of the court approving the same or otherwise making final distribution, supported by evidence of payment of estate tax or exemption therefrom, as the case may be, shall be filed with the Register of Deeds, and upon the presentation of the owner's duplicate certificate of title, new certificates of title shall be issued to the parties severally entitled thereto in accordance with the approved partition and distribution.

Further, under Section 91 of PD 1529, even without an order of final distribution from the testate/intestate court and in anticipation of a final distribution of a portion or the whole of the property, the Register of Deeds may be compelled to issue the corresponding certificate of title to the transferee only when the executor/administrator of the estate submits a certified copy of an order from the court having jurisdiction of the testate or intestate proceedings directing the executor/administrator to transfer the property to the transferees. The said provision provides:

Section 91. *Transfer in anticipation of final distribution.* Whenever the court having jurisdiction of the testate or intestate proceedings directs the executor or administrator to take over and transfer to the devisees or heirs, or any of them, in anticipation of final distribution a portion or the whole of the registered land to which they might be entitled on final distribution, upon the filing of a certified copy of such order in the office of the Register of Deeds, the executor or administrator may cause such transfer to be made upon the register in like manner as in case of a sale, and upon the presentation of the owner's duplicate certificate to the Register of Deeds, the devisees or heirs concerned shall be entitled to the issuance of the corresponding certificates of title.

The aforementioned sections of PD 1529 are in perfect conjunction with Rule 90, Section 1²³ of the Rules of Court, which states that the actual

²³ Section 1. *When order for distribution of residue made.* — When the debts, funeral charges, and expenses of administration, the allowance to the widow, and inheritance tax, if any, chargeable to the estate in accordance with law, have been paid, the court, on the application of the executor or administrator, or of a person interested in the estate, and after hearing upon notice, shall assign the residue of the estate to the persons entitled to the same, naming them and the proportions, or parts, to which each is entitled, and such persons may demand and recover their respective shares from the executor or administrator, or any other person having the same in his possession. If there is a controversy before the court as to who are the lawful heirs of the deceased person or as the distributive shares to



distribution of property subject to testate or intestate proceedings, *i.e.*, the issuance of a new title in the name of the distributee, shall occur only when the debts, funeral charges, and expenses of administration, the allowance to the widow, and inheritance tax, if any, chargeable to the estate, have been paid. Only then can the testate or intestate court assign the residue of the estate to the persons entitled to the same. Under Rule 90, Section 1, the testate or intestate court may also order the distribution of the property pending the final order of distribution if the distributees give a bond in a sum fixed by the court conditioned upon the payment of the aforesaid said obligations within such time as the court directs, or when provision is made to meet those obligations.

Hence, under the applicable provisions of PD 1529 and the Rules of Court, it is only upon the issuance by the testate or intestate court of the final order of distribution of the estate or the order in anticipation of the final distribution that the certificate of title covering the subject property may be issued in the name of the distributees.

In the instant case, there is no showing that, in the pendency of the settlement of the Estate of Amanda, the Probate Court had issued an order of final distribution or an order in anticipation of a final distribution, both of which the law deems as requirements before the RD can issue a new certificate of title in the name of the petitioners Sps. Salitico.

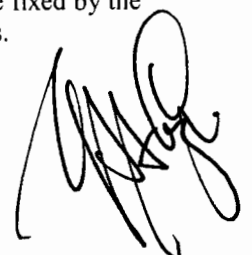
To clarify, this holding does not go against Article 777 of the Civil Code whatsoever. What the aforesaid Civil Code provision signifies is that there is no legal bar preventing an heir from disposing his/her hereditary share and transferring such share to another person, inasmuch as the right thereto is vested or transmitted to the heir from the moment of the death of the decedent or testator. The rule, however, does not state that the transferee may already compel the issuance of a new certificate of title covering the specific property in his/her name.

Hence, reading Article 777 of the Civil Code together with the pertinent provisions of PD 1529 and the Rules of Court, while an heir may dispose and transfer his/her hereditary share to another person, before the transferee may compel the issuance of a new certificate of title covering specific property in his/her name, a final order of distribution of the estate or the order in anticipation of the final distribution issued by the testate or intestate court must first be had.

Therefore, despite the existence of a valid contract of sale between Resurreccion and the petitioners Sps. Salitico, which ordinarily would warrant the delivery of the owner's duplicate copy of OCT P-1908 in favor of the latter, pending the final settlement of the Estate of Amanda, and absent any order of final distribution or an order in anticipation of a final distribution

which each person is entitled under the law, the controversy shall be heard and decided as in ordinary cases.

No distribution shall be allowed until the payment of the obligations above mentioned has been made or provided for, unless the distributees, or any of them, give a bond, in a sum to be fixed by the court, conditioned for the payment of said obligations within such time as the court directs.




from the Probate Court, the RD cannot be compelled at this time to cancel OCT P-1908 and issue a new certificate of title in favor of the petitioners Sps. Salitico.

WHEREFORE, the appeal is hereby **PARTIALLY GRANTED**. The Decision dated October 19, 2017 and Resolution dated June 7, 2018 of the Court of Appeals Twelfth Division and Former Special Twelfth Division, respectively, in CA-G.R. CV No. 105166 are **PARTIALLY REVERSED**. Judgment is hereby rendered ordering the respondents Heirs of Resurreccion Martinez Felix to **DELIVER** the owner's duplicate copy of Owner's Certificate of Title No. P-1908 to the petitioners Sps. Salitico.


With respect to the petitioners Sps. Salitico's prayer compelling the Register of Deeds to cancel OCT P-1908 and issue a new certificate of title in their favor, for the reasons stated above, the said prayer is **DENIED**.

SO ORDERED.



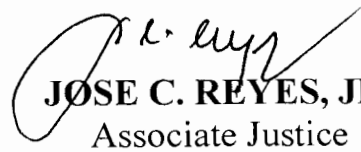
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

WE CONCUR:



ANTONIO T. CARPIO
Associate Justice
Chairperson

(On leave)
ESTELA M. PERLAS-BERNABE
Associate Justice




JOSE C. REYES, JR.
Associate Justice



AMY Q. LAZARO-JAVIER
Associate Justice

ATTESTATION

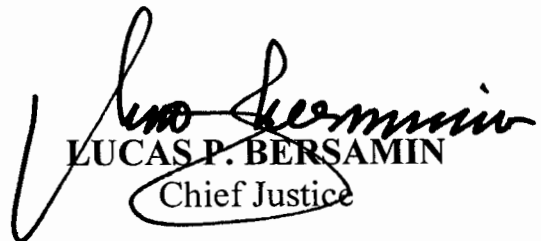
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



LUCAS P. BERSAMIN
Chief Justice

