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Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

GEORGE AGCAOILI,<sup>\*</sup>  
Petitioner,

G.R. No. 224414

Present:

PERALTA, C.J., *Chairperson*  
CAGUIOA,  
REYES, J.C., JR.,  
LAZARO-JAVIER, and  
LOPEZ, JJ

- versus -

Promulgated:

FEB 26 2020 *mtf/bnl*

ELMER MATA,  
Respondent.

X-----X

DECISION

LAZARO-JAVIER, J.:

The Case

This Petition for Review assails the following issuances of the Court of Appeals in CA-G.R. CV No. 95215 entitled “*Elmer Mata, Plaintiff-Appellee, v. George Agcaoili, Bonifacio Morales, Rolando Paulo, Nathaniel Flores, Alan Keane Ancheta, and Celia Edu, Defendants-Appellants:*”

<sup>\*</sup>The caption of this case was changed to reflect the fact that only George Agcaoili went to this Court via a petition for review. The names of Bonifacio Morales, Rolando Paulo, Nathaniel Flores, Alan Keane Ancheta, and Celia Edu have been omitted.

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- 1) Decision<sup>1</sup> dated June 10, 2014, affirming the following disposition of the Regional Trial Court (RTC), Branch 19, Bangui, Ilocos Norte, in Civil Case No. 838-19, *viz.*:

WHEREFORE, in view of the foregoing, judgment is hereby rendered:

1. Declaring null and void and of no force and effect the following documents:

A. Declaration Of the Status Of Real Estate Property of Lot No. 17566 Cad-738-D of the Pagudpud Cadastre.

B. The Subdivision Plan of Lot No. 17566, Cad-738-D of the Pagudpud Cadastre.

C. Tax Declaration Nos. 97-008-01287, 97-008-01286, 97-008-01285 in the name of George Agcaoili, Tax Decl. No. 97-008-01281 in the name of Bonifacio Morales, Tax Decl. No. 97-008-01279 in the name of Rolando Paulo, Tax Decl. Nos. 97-008-01277 and 97-008-01276 in the name of Nathaniel Flores, and Tax Decl. No. 97-008-01280 in the name of Alan Keane Ancheta.

2. Ordering the partition of the land in suit between the compulsory heirs of the late Spouses Pedro Mata, Sr. and Josefina B. Mata namely the late Elmer B. Mata/ his representative and the late Pedro Mata, Jr./representatives in equal share after payment of debts.

3. Ordering the Office of the Municipal Assessor of Pagudpud, Ilocos Norte and the Register of Deeds of Ilocos Norte to nullify Tax Declaration Nos. 97-008-01287, 97-008-01286, 97-008-01285 in the name of George Agcaoili, Tax Decl. No. 97-008-01281 in the name of Bonifacio Morales, Tax Decl. No. 97-008-01279 in the name [of] Rolando Paulo, Tax Decl. Nos. 97-008-01277 and 97-008-01276 in the name of Nathaniel Flores, Tax Decl. No. 97-008-01280 in the name of Alan Keane Ancheta and restore Tax Declaration No. 006585, in the name [of] Josefina B. Mata.

4. Ordering the heirs of Pedro Mata, Jr. to vacate the 18,000 square meters portion of the land in suit fraudulently declared in his name.

No pronouncement as to costs.

SO ORDERED.<sup>2</sup>

- 2) Resolution<sup>3</sup> dated April 25, 2016, denying petitioner George Agcaoili's motion for reconsideration.

<sup>1</sup> Penned by Associate Justice Sesinando E. Villon with the concurrence of Associate Justices Florito S. Macalino and Pedro B. Corales, all members of the Sixteenth Division, *rollo*, pp. 33-44.

<sup>2</sup> *Id.* at 28-29.

<sup>3</sup> *Id.* at 30-31.



### Proceedings before the Trial Court

Respondent Elmer Mata filed a complaint for annulment of documents, partition and damages against petitioner George Agcaoili, Bonifacio Morales, Rolando Paulo, Nathaniel Flores, Alan Keane Ancheta, and Celia Edu.

In his Complaint dated December 3, 2005, respondent essentially alleged:

In his lifetime, Justo Mata owned a parcel of land located at Caunayan, Pagudpud, Ilocos Norte, and covered by Tax Declaration No. 016771. It was particularly described:<sup>4</sup>

“Pasto and Unirrigated Rice Land consisting of an area of 6,500 and 7,500 respectively and bounded on the North by Francisco Abadilla on the East by Monte, on the South by Tomas Peralta and on the West by Playa del Mar”<sup>5</sup>

On May 14, 1944, Justo Mata sold the lot to Spouses Pedro Mata, Sr. and Josefina B. Mata via a deed of absolute sale. Pedro and Josefina had two (2) children, respondent and Pedro Mata, Jr. Pedro Mata, Sr. died on July 11, 1950. On May 16, 1954, the widowed Josefina Mata married Emilio Agcaoili. Josefina and Emilio died without any children.<sup>6</sup>

When Spouses Josefina and Emilio were still alive, the lot was surreptitiously declared in their names without his (respondent) knowledge and they used the lot as collateral for their purchase of a rifle.<sup>7</sup>

In 2001, petitioner George Agcaoili, Bonifacio Morales, Rolando Paulo, Nathaniel Flores, Alan Keane Ancheta, and Celia Edu surreptitiously and fraudulently subdivided the lot, also without respondent's knowledge and permission. Too, the respective signatures of Josefina and Emilio did not appear on the subdivision plan. Further, the foreshore portion of the lot, measuring 18,000 square meters, was solely declared in the name of Pedro Mata, Jr.. Petitioners fraudulently secured for themselves the following tax declarations: 1) Nos. 97-008-01287, 97-008-01286, and 97-008-01285, for petitioner George Agcaoili; 2) No. 97-008-01281, for Bonifacio Morales; 3) No. 97-008-01279, for Rolando Paulo; 4) Nos. 97-008-01277 and 97-008-01276, for Nathaniel Flores; 5) No. 97-008-01280, for Alan Keane Ancheta; and 6) Nos. 97-008-01293, 97-008-01292 and 97-008-01291, for the Heirs of Tomas Peralta.<sup>8</sup>

To protect his inheritance comprising half of the lot, he (respondent) prayed that the subdivision plan and all tax declarations in the name of

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<sup>4</sup> *Id.* at 21.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 21-22.

<sup>7</sup> *Id.* at 22.

<sup>8</sup> *Id.*

petitioner George Agcoili, Bonifacio Morales, Rolando Paulo, Nathaniel Flores, Alan Keane Ancheta and Heirs of Tomas Peralta be declared void. He also prayed for attorney's fees, moral damages, and exemplary damages.<sup>9</sup>

Respondent died on December 6, 2007 and was substituted by his heirs.<sup>10</sup>

In his answer, petitioner George Agcaoili basically averred:

Spouses Josefina and Emilio had openly, continuously, exclusively, and notoriously occupied the lot for more than thirty (30) years. The Declaration of Status of Real Property, which respondent himself signed, showed the division/distribution of the land. There, respondent, his brother Pedro Mata, Jr., and petitioner George Agcaoili decided to terminate their co-ownership and divided the lot among themselves. The foreshore lot measuring 18,000 square meters was under the name of Pedro Mata, Jr. The foreshore land though did not form part of the lot that they had divided. Respondent was bound by the subdivision plan which he himself signed.<sup>11</sup>

Petitioner George Agcaoili later testified that he was the biological son of Pedro Mata, Jr. but was legally adopted by Spouses Emilio and Josefina Agcaoili.<sup>12</sup>

In their answer, Rolando Paulo and Nathaniel Flores averred, in the main:

Rolando was a crew member while Nathaniel was the geodetic engineer of the team that was hired to survey and subdivide the lot. In exchange for their financial support and professional services, Josefina conveyed the lot covered by T.D. No. 97-008-01279 to Rolando Paulo and the lots covered by T.D. Nos. 97-008-01277 and 97-008-01276 to Nathaniel Flores.<sup>13</sup>

Through his own answer, Bonifacio Morales admitted he was issued T.D. No. 97-008-01281 covering Lot No. 17566-D. He denied that fraud tainted the subdivision of the lot and the subsequent issuance of the tax declaration, Josefina conveyed the portion of the lot to him in consideration of the financial assistance he extended her and the professional services he rendered in the subdivision of the lot and transfer of the shares under the Declaration of Status of Real Estate Property.<sup>14</sup>

On February 20, 2006, Allan Keane Ancheta and Celia Edu were declared in default for their failure to file their respective answers.<sup>15</sup>

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 21.

<sup>11</sup> *Id.* at 22.

<sup>12</sup> *Id.* at 26.

<sup>13</sup> *Id.* at 23.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*





### Ruling of the Trial Court

After due proceedings, RTC-Branch 19, Bangui, Ilocos Norte, rendered its Decision<sup>16</sup> dated May 14, 2010, granting the complaint for nullification of documents and partition of property. Its pertinent portions read:

After a careful examination of the testimonial and documentary evidence adduced by both parties, it appears to the Court that:

That the subject property is a conjugal property of the late spouses Pedro Mata, Sr. and Josefina B. Mata.

That the Declaration Of The Status Of Real Estate Property of Lot No. 17566, Cad-738-D of the Pagudpud Cadastre and the Subdivision Plan are invalid. Consequently, the subsequent transfer by Josefina B. Mata to defendants George Agcaoili, Bonifacio Morales, Rolando Paulo, Nathaniel Flores, and Alan Keane Ancheta are invalid, hence, conferring no rights upon the transferees under the principle of *nemo dat quod non habet*.

That the western portion containing an area of 18,076 square meters as being claimed by Pedro B. Mata, Jr. is part of the subject lot hereof. Lot 17566, Cad-738-D as contained in the report of the DENR representative in the name of Alberto Baguio.<sup>17</sup>

The RTC declared void the following documents: a) Declaration Of the Status Of Real Estate Property of Lot No. 17566 Cad-738-D of the Pagudpud Cadastre; b) the Subdivision Plan of Lot No. 17566, Cad-738-D of the Pagudpud Cadastre; c) T.D. Nos. 97-008-01287, 97-008-01286, 97-008-01285 (George Agcaoili), T. D. No. 97-008-01281 (Bonifacio Morales), T.D. No. 97-008-01279 (Rolando Paulo), T.D. Nos. 97-008-01277 and 97-008-01276 (Nathaniel Flores), and T.D. No. 97-008-01280 (Alan Keane Ancheta).

Further, the RTC ordered the: 1) partition of the lot among the compulsory heirs of the late Spouses Pedro Mata, Sr. and Josefina Mata, namely, the late Elmer Mata or his representatives and the late Pedro Mata, Jr. and his representatives. in equal shares after payment of debts; 2) Office of the Municipal Assessor of Pagudpud, Ilocos Norte and the Register of Deeds of Ilocos Norte to nullify T.D. Nos. 97-008-01287, 97-008-01286, 97-008-01285 in the name of George Agcaoili, T.D. No. 97-008-01281 in the name of Bonifacio Morales, T.D. No. 97-008-01279 in the name of Rolando Paulo, T.D. Nos. 97-008-01277 and 97-008-01276 in the name of Nathaniel Flores, T.D. No. 97-008-01280 in the name of Alan Keane Ancheta and restore T.D. No. 006585, in the name of Josefina B. Mata; and 3) Heirs of Pedro Mata, Jr. to vacate the 18,000 square meters portion of the lot which was fraudulently declared in Pedro Mata, Jr.'s name.

### Proceedings before the Court of Appeals

<sup>16</sup> Penned by Judge Rosemarie V. Ramos, *id.* at 21-29.

<sup>17</sup> *Id.* at 28.

Petitioner and the other defendants separately appealed. Petitioner George Agcaoili essentially argued that the trial court erred in ordering the partition of the lot in equal shares only between respondent Elmer Mata and the deceased Pedro Mata, Jr., excluding himself. He was the adopted son of Spouses Josefina and Emilio Agcaoili, thus, he has a vested right in the lot, as well.<sup>18</sup>

Meanwhile, Bonifacio Morales, Rolando Paolo and Nathaniel Flores uniformly argued that Josefina Mata validly conveyed to them their respective shares in exchange for the financial and professional assistance they extended her in the lot survey.<sup>19</sup>

### **Ruling of the Court of Appeals**

By its assailed Decision<sup>20</sup> dated June 10, 2014, the Court of Appeals affirmed. It held that partition was proper in this case. Petitioner and defendants were merely trustees of the parcels of land that were inadvertently transferred to them under their respective tax declarations.

Only petitioner George Agcaoili filed a motion for reconsideration which was denied under the assailed Resolution<sup>21</sup> dated April 25, 2016. As for Bonifacio Morales, Rolando Paolo and Nathaniel Flores, the Court of Appeals Decision dated June 10, 2014 became final and executory.

### **The Present Petition**

Undaunted, petitioner George Agcaoili now invokes this Court's discretionary appellate jurisdiction *via* Rule 45 of the Rules of Court to review and reverse the assailed dispositions of the Court of Appeals.

Petitioner faults the Court of Appeals for affirming the trial court's verdict in respondent's favor allegedly despite the trial court's failure to observe the procedural rule governing actions for partition, specifically the requirement that the indispensable parties, namely, Pedro Mata, Jr. or his heirs (his wife, five (5) children, and grandchild) should have been impleaded from the beginning. Notably, Pedro Mata, Jr. was respondent's brother and co-heir to Spouses Pedro and Josefina Mata, Sr. Petitioner also faults the Court of Appeals for overlooking the trial court's failure to first determine whether partition was proper before proceeding to order it.

In their Comment<sup>22</sup> dated September 22, 2017, respondent's heirs defend the dispositions of the Court of Appeals. They further assert that

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<sup>18</sup> *Id.* at 37.

<sup>19</sup> *Id.* at 38-39.

<sup>20</sup> *Id.* at 33-44.

<sup>21</sup> *Id.* at 31.

<sup>22</sup> *Id.* at 54.



although Pedro Mata, Jr. and his heirs did not participate in the proceedings below, they were still included in the partition of the property per the trial court's directive.

### Issue

Did the trial court commit reversible error when it ordered the partition of the lot even though not all of the indispensable parties were impleaded in the case below?

### Ruling

We grant the petition.

**First.** Petitioner consistently asserts he is one of the compulsory heirs of Josefina Agcaoili née Mata, he being the latter's legally adopted son. No one has challenged this since the initiation of the complaint below up till now. There is, therefore, no rhyme or reason to exclude him from the partition of the estate below of which he claims to be a compulsory heir.

Notably, neither the trial court nor the Court of Appeals delved into this matter although it is undeniably crucial in determining petitioner's legal standing in this case.

**Second.** The trial court *motu proprio* directed the ejectment of the Heirs of Pedro Mata, Jr. from the 18,000-square-meter foreshore land claimed to be a part of the estate in question. This the trial court did without due process. The occupants themselves, who were undisputed compulsory heirs to the estate, were never summoned, let alone, given their day in court. In fine, the trial court exceeded its jurisdiction, to the damage and prejudice of the estate, the Heirs of Pedro Mata, Jr., and petitioner himself who claims to be himself a compulsory heir of Josefina Agcaoili née Mata.

**Third.** There is no question that the Heirs of Pedro Mata, Jr. are indispensable parties in the complaint for annulment, partition, and damages below. Section 1 of Rule 69 of the Rules of Court reads:

Section 1. Complaint in action for partition of real estate. — A person having the right to compel the partition of real estate may do so as provided in this Rule, setting forth in his complaint the nature and extent of his title and an adequate description of the real estate of which partition is demanded and joining as defendants all other persons interested in the property. (1a)

An indispensable party is one whose interest will be affected by the court's action in the litigation, and without whom no final determination of the case can be had. The party's interest in the subject matter of the suit and



in the relief sought are so inextricably intertwined with the other parties' that his legal presence as a party to the proceeding is an absolute necessity. In his or her absence, there cannot be a resolution of the dispute of the parties before the court which is effective, complete, or equitable. Thus, the absence of an indispensable party renders all subsequent actions of the court null and void, for want of authority to act, not only as to the absent parties but even as to those present.<sup>23</sup> In an action for partition, all the co-heirs and persons having an interest in the property are indispensable parties; as such, an action for partition will not lie without the joinder of the said parties.<sup>24</sup>

In non-joinder of indispensable parties, the case should not be dismissed. Instead, the non-party claimed to be indispensable should be impleaded. *Heirs of Juan M. Dinglasan v. Ayala Corp.*<sup>25</sup> states:

**As to whether or not the subject Complaints should be dismissed, the settled rule is that the non-joinder of indispensable parties is not a ground for the dismissal of an action. The remedy is to implead the non-party claimed to be indispensable. Parties may be added by order of the court on motion of the party or on its own initiative at any stage of the action and/or at such times as are just.**

**While this Court wishes to abide by the mandate on speedy disposition of cases, We cannot render a definitive judgment on the merits. To do so will result in a violation of due process.** The inclusion of Orosa and all other persons whose titles are derived from OCT 18989, as party--defendants, is necessary for the effective, complete and final resolution of all the parties' rights in the present case, and in order to accord all parties the benefit of due process and fair play.

In *Heirs of Faustino and Genoveva Mesina v. Heirs of Domingo Fian, Sr.*, the Spouses Mesina bought two parcels of land from Domingo Fian, Sr. (Fian, Sr.). When Fian, Sr. died, his heirs refused to acknowledge the sale made by their predecessor in favor of the Spouses Mesina. Following the death of the Spouses Mesina, their heirs filed, before the RTC, an action to quiet title against the heirs of Fian, Sr. The complaint, however, failed to name all the heirs of Fian, Sr. On respondents' motion, the RTC dismissed the complaint on the ground of lack of cause of action. The RTC ruling was affirmed by the CA. On appeal, this Court reversed and set aside the rulings of the CA and the RTC by holding that the non-joinder of indispensable parties is not a ground for the dismissal of an action and that at any stage of a judicial proceeding and/or at such times as are just, parties may be added on the motion of a party or on the initiative of the tribunal concerned. Thus, this Court remanded the case to the RTC, ordered the representative of the heirs of the Spouses Mesina to implead all the heirs of Fian, Sr., as defendants, and directed the trial court to undertake appropriate steps and proceedings to expedite adjudication of the case.

In *Divinagracia v. Parilla, et al.*, the respondents' predecessor-in-interest, Conrado Nobleza, Sr., (Conrado, Sr.), had several legitimate and illegitimate heirs. Upon his death, some of the heirs sold to petitioner' predecessor-in-interest, Santiago Divinagracia (Santiago) their undivided

<sup>23</sup> *Divinagracia v. Parilla*, 755 Phil. 783, 789 (2015).

<sup>24</sup> *Sepulveda, Sr. v. Atty. Pelaez*, 490 Phil. 710, 721 (2005).

<sup>25</sup> G.R. No. 204378, August 05, 2019.



share in a parcel of land which was owned by and registered in the name of Conrado, Sr. Santiago, however, was not able to have the title of the property transferred in his name because the other heirs of Conrado, Sr., who did not sell their respective shares in the said property, refused to surrender the title to him. This prompted Santiago to file before the RTC a complaint for judicial partition and receivership against the said heirs. The trial court ruled in favor of petitioner and ordered the partition of the subject property. The CA reversed the decision of the RTC and dismissed Santiago's complaint for judicial partition on the ground that Santiago failed to implead all the heirs of Conrado, Sr. who are indispensable parties to the complaint for judicial partition. The Court agreed with the CA that all the heirs of Conrado, Sr., having vested rights over the subject land, should be impleaded as indispensable parties in an action for partition thereof. The Court ruled that failure to do so renders all subsequent actions of the court null and void, for want of authority to act, not only as to the absent parties but even as to those present. However, this Court held that the CA erred in dismissing Santiago's complaint because of his failure to implead all the indispensable parties, in view of the settled rule that in instances of non-joinder of indispensable parties, the proper remedy is to implead them and not to dismiss the case. Thus, the Court affirmed, with modification, the decision of the CA by ordering the remand of the case to the trial court, directing the same court to implead all indispensable parties and to proceed with the resolution of the case with dispatch.

**In view of the foregoing, the correct course of action in the instant case is to order its remand to the RTC for the inclusion of those indispensable parties who were not impleaded and for the disposition of the case on the merits after these parties are given opportunity to present their own evidence.** (Emphasis supplied)

So must it be.

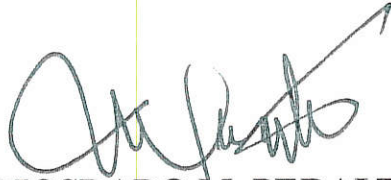
**ACCORDINGLY**, the petition is **GRANTED**. The assailed Decision dated June 10, 2014 and Resolution dated April 25, 2016 of the Court of Appeals in CA-G.R. CV No. 95215, as well as the Decision dated May 14, 2010 of the Regional Trial Court, Branch 19, Bangui, Ilocos Norte, in Civil Case No. 838-19, are **REVERSED** and **SET ASIDE**.

Let the case be **REMANDED** to the Regional Trial Court, Branch 19, Bangui, Ilocos Norte, for further proceedings. The court is **DIRECTED TO ISSUE AN ORDER TO IMPLEAD**, as party-defendants, the Heirs of Pedro Mata, Jr. and all other persons interested in the property, being indispensable parties and, thereafter, allow these parties to present their evidence and **PROCEED** with the resolution of the case on the merits **WITH DISPATCH**. The resolution on the merits should cover the determination of the claimed heirship of petitioner George Agcaoili.

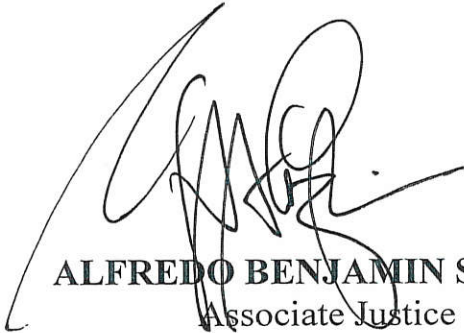
**SO ORDERED.**

  
**AMY C. LAZARO-JAVIER**  
Associate Justice

**WE CONCUR:**

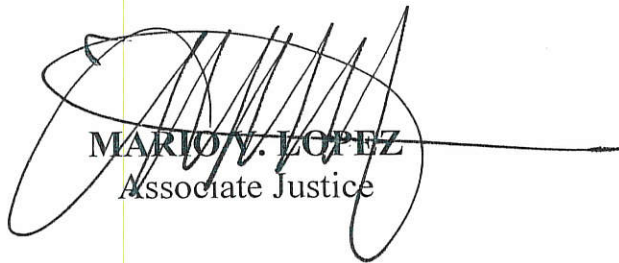


**DIOSDADO M. PERALTA**  
Chief Justice  
Chairperson



**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

(on official leave)  
**JOSE C. REYES, JR.**  
Associate Justice



**MARIO V. LOPEZ**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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.



**DIOSDADO M. PERALTA**  
Chief Justice  
Chairperson, First Division

