

THIRD DIVISION

[G.R. No. 161027, June 22, 2009]

FRANCISCO G. CALMA, PETITIONER, VS. ARSENIO SANTOS, LEONARDO SANTOS, DOMINADOR SANTOS, ALFREDO SANTOS, LETICIA SANTOS, NATIVIDAD SANTOS, LIGAYA SANTOS, ERLINDA SANTOS; THE HEIRS OF THE DECEASED JOSE SANTOS, NAMELY, FELICIDAD SANTOS, AURELIA SANTOS, CONRADO SANTOS, LOLITA SANTOS, FLORIDA SANTOS, AND DANILO SANTOS; THE HEIRS OF THE DECEASED RUBEN SANTOS, NAMELY, THELMA SANTOS, MAURO SANTOS, BIMBO SANTOS, FELY SANTOS, PETER SANTOS, BABY SANTOS, AND ANTONIO SANTOS; AND THE HEIRS OF THE DECEASED FEDERICO SANTOS, NAMELY, ZENAIDA S. ALVIAR, ROMULO SANTOS, JUDY S. AQUINO, MILA S. FULGENCIO AND ERNESTO SANTOS, RESPONDENTS.

DECISION

NACHURA, J.:

This is a Petition^[1] for review on certiorari under Rule 45 of the Rules of Court of the Decision^[2] dated November 28, 2003 of the Court of Appeals in CA-G.R. CV No. 57786.

The subject of this controversy is a property known as "Calangain Fishpond" (Fishpond), with a total area of 480,229 square meters, located in Calangain, Lubao, Pampanga. It is composed of Lot No. 1094, with an area of 297,605 square meters; Lot No. 7858, with an area of 7,952 square meters; Lot No. 7859, with an area of 6,011 square meters; and 135,350 square-meter portion of Lot No. 1093, with an area of 300,384 square meters; all of the Cadastral Survey of Lubao, and covered by Transfer Certificate of Title (TCT) No. 32391-R^[3] of the Registry of Deeds of the Province of Pampanga.^[4] The Fishpond also comprises Lot No. 7860, with an area of 19,681 square meters; and Lot No. 7862, with an area of 13,630 square meters, both of the Cadastral Survey of Lubao, and covered by TCT No. 32392-R,^[5] also of the Registry of Deeds of Pampanga. Both TCTs are registered in the names of CELESTINO Santos, a widower, with 1/2 share, and of his children, namely: JOSE, married to Felicidad Cruz; ENCARNACION, married to German Escueta; ARCADIO, married to Rosario Cruz; FELIZA, married to Bienvenido Garcia; LEONARDO, widower; ARSENIO, married to Apolonia dela Cruz; DOMINADOR, married to Marieta Suarez; LETICIA, married to Marcial Santos; NATIVIDAD, single; LIGAYA, married to Rogelio Martin; ALFREDO and ERLINDA, both single.

On April 11, 1975, Celestino Santos died. Aside from his heirs named in the two certificates of title, Celestino had two other children, RUBEN and FEDERICO, who are now both deceased.

On various dates, petitioner Francisco Calma purchased the following shares from the Fishpond,^[6] to wit:

1. The 1/12 share of **Encarnacion Santos-Escueta**, owned by her in her own right, to the 1/2 pro indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other 1/2 pro indiviso portion of the fishpond, with an aggregate area of **37,160.57** square meters;^[7]
2. The 1/12 share of the deceased **Arcadio Santos**, owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond, and his 1/14 share, which he inherited from his deceased father, Celestino Santos, to the other one-half (1/2) pro-indiviso portion of the fishpond, with an aggregate area of **37,160.57** square meters;^[8]
3. The 1/12 share of **Feliza Santos**, owned by her in her own right, to the 1/2 pro-indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the fishpond, minus a portion of 5,000 square meters, which was previously sold to a certain Orlando Yamat, with an aggregate area of **32,160.57** square meters;^[9]
4. Ten Thousand (**10,000**) square meters (one (1) hectare) of the 1/14 share of the herein respondents heirs of the deceased **Federico Santos**, which they inherited from the deceased Celestino Santos, to the 1/2 pro-indiviso portion of the fishpond owned by the said deceased;^[10]
5. The 1/12 share of the respondent **Leonardo Santos**, owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond with an area of **20,009.54** square meters;^[11]
6. The 1/12 share of the herein respondent **Alfredo Santos**, owned by him in his own right, to the 1/2 pro-indiviso portion of the portion of 135,350 square meters on the southeastern part of Lot 1093 of the Cadastral Survey of Lubao, which portion of 135,350 square meters is included in and forms part of the Calangain Fishpond, with an area of **5,639** square meters;^[12]
7. The 1/12 of the herein respondent **Dominador Santos** (substituted by his heirs), owned by him in his own right, to the 1/2 pro-indiviso portion of the fishpond, and his 1/14 share, which he inherited from his deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the fishpond with an aggregate area of **37,160.57** square meters;^[13]

8. The 1/12 share of the herein respondent **Leticia Santos**, owned by her in her own right, to the 1/2 pro-indiviso portion of the fishpond, and her 1/14 share, which she inherited from her deceased father, Celestino Santos, to the other pro-indiviso portion of the fishpond, with an aggregate area of **37,160.57** square meters,^[14] and
9. The 1/14 share of the herein respondent **Leonardo Santos**, which he inherited from his deceased father, Celestino Santos, to the 1/2 pro-indiviso portion of the fishpond with an area of **17,151.03** square meters.^[15] (Emphasis supplied.)

Petitioner then demanded from the other co-owners of the property the identification and segregation of the shares he purchased from the rest of the Fishpond. Due to the failure of respondents to cause the division as demanded, petitioner filed a complaint for specific performance and partition. The case was docketed as Special (SP) Civil Case No. G-63, and was raffled to Branch 50 of the Regional Trial Court of Guagua, Pampanga. Subsequently, the complaint was amended in order to identify the heirs of the deceased Jose, Ruben, and Federico.^[16]

Respondents Arsenio, Leonardo, Dominador, Leticia, Natividad, Ligaya, Alfredo and Erlinda jointly filed an answer^[17] with compulsory counterclaim. The respondent heirs of deceased Jose (Felicidad, Aurelia, Conrado, Lolita, Florida, and Danilo), the respondent heirs of deceased Federico (Zenaida, Romulo, Judy, and Ernesto), and the respondent heir of the deceased Ruben (Antonio) filed a separate answer with compulsory counterclaim.

In their answers, respondents, in effect, admitted the existence of the deeds of absolute sale and the other agreements covering the sale and transfer of the undivided shares to the Fishpond in favor of petitioner, but alleged as follows:

1. The said deeds of sale and agreements were all suffering from insidious, grave and vital defects, vitiating their validity and effectiveness;
2. The deceased Celestino Santos and the deceased Jose Santos have already sold during their lifetime, to the herein respondent Arsenio Santos their respective 1/2 and 1/12 of 1/2 undivided shares to the Calangain Fishpond, and upon their death their said undivided shares were not inherited and transmitted to their children and other heirs;
3. The herein petitioner as lessee of the Calangain Fishpond has been delinquent for many years in the payment of the lease rentals thereon;
4. The herein petitioner has abused his rights as lessee by subleasing portions of the Calangain Fishpond to other persons;
5. The herein petitioner's rights as lessee over the Calangain Fishpond had already expired;

6. The herein petitioner has no cause of action for partition against the herein respondents, as not all the persons who have an interest in the Calangain Fishpond were impleaded as parties in this action;
7. With respect to the shares of Celestino Santos, Jose Santos and Leonardo Santos, the herein respondent Arsenio Santos has prior right thereto superior to that of the herein petitioner; and
8. The herein respondents Arsenio Santos, Natividad Santos, Ligaya Santos and Erlinda Santos have a right of legal redemption over the undivided shares of the Calangain Fishpond sold to the herein petitioner.^[18]

Petitioner then filed his answer denying the compulsory counterclaims denying the same.

After pre-trial and trial on the merits, the RTC rendered a Decision^[19] dated September 29, 1997 in favor of petitioner, disposing, as follows:

WHEREFORE, in view of all the foregoing, judgment is hereby rendered in favor of the plaintiff and against the defendants as follows:

a.) Ordering the defendant Leonardo Santos to execute in favor of the plaintiff the corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over his one-fourteenth (1/14) share with a total area of 17,151.03 square meters pro-indiviso portion of the Calangain fishpond inherited from his deceased father, Celestino Santos, which he had sold to the plaintiff;

b.) Ordering the defendant Dominador Santos (now his substituted heirs) to execute in favor of the plaintiff the other corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over all his shares, consisting of his 1/12 share, belonging to him in his own right, to the ½ pro-indiviso portion, and his 1/14 share, inherited from his deceased father, Celestino Santos, to the other 1/2 pro-indiviso portion of the Calangain Fishpond, with a total area of 37, 160.57 square meters, more or less, which he had sold to the plaintiff;

c.) Ordering the defendant Leticia Santos to execute in favor of the plaintiff the corresponding deed of absolute sale and/or whatever other documents which may be necessary to properly transfer and vest title and ownership to the plaintiff over all her shares, consisting of her 1/12 share, belonging to her in her own right, to the 1/2 pro-indiviso portion, and her 1/14 share, inherited from her deceased father, Celestino Santos, to the other, ½ pro-indiviso portion of the Calangain Fishpond, with a total area of 37,160.57 square meters, more or less, which she had sold to the plaintiff;

d.) Ordering the defendants who still own pro-indiviso shares to the Calangain Fishpond to partition and divide the said fishpond among

themselves and the plaintiff and have all the portions thereof sold to and now owned by the plaintiff with a total area of 213,594.88 square meters, more or less, segregated and awarded to the plaintiff and to execute whatever document or documents as may be necessary to properly effect such partition, division and segregation and the issuance of the corresponding certificate of title in the name of the plaintiff over the said portion of 213,594.88 square meters, more or less;

e.) Ordering the defendants, jointly and severally to pay unto the plaintiff the amount of P30,000.00 for and as attorney's fees;

f.) Ordering the defendants, jointly and severally, to pay unto the plaintiff the amount of P10,000.00 as litigation expenses;

g.) Ordering the defendants, jointly and severally to pay the costs of suit.

SO ORDERED. ^[20]

Respondents appealed the said RTC Decision to the Court of Appeals. In its assailed Decision dated November 28, 2003, the Court of Appeals reversed and set aside the RTC Decision. The dispositive portion of the CA decision reads:

WHEREFORE, the decision appealed from is **REVERSED** and **SET ASIDE** and another one entered as follows:

1. Declaring the deed of absolute sale dated March 11, 1975 executed by Celestino Santos in favor of defendant-appellant Arsenio Santos as valid;
2. Declaring that defendants-appellants Arsenio Santos, Natividad Santos, Erlinda Santos and Ligaya Santos are entitled to exercise their right of legal redemption under Article 1623 of the Civil Code with respect to the shares of Encarnacion Santos-Escueta, Arcadio Santos, Felisa Santos, Federico Santos, Leonardo Santos, Dominador Santos, Leticia Santos and Alfredo Santos in the Calangain fishpond which were sold by them to plaintiff-appellee, by returning to the latter the consideration stated in their respective deeds of sale within the period of thirty (30) days from the date of finality of this judgment;
3. Ordering plaintiff-appellee to execute the necessary deeds of reconveyance of the aforesaid shares sold to him in the Calangain fishpond, to and in favor of the defendants Arsenio Santos, Natividad Santos, Ligaya Santos and Erlinda Santos upon their exercise of their right of legal redemption; and
4. Ordering plaintiff-appellee to pay to defendant-appellant Arsenio Santos the amount of P420,000.00, representing the balance of the unpaid rentals due on the thirty (30) hectare undivided share of the latter in the Calangain fishpond, plus the legal rate of interest thereon from October 25, 1989, the date of the filing of the answer, until said amount shall have been fully paid.