

THIRD DIVISION

[G.R. No. 132803, August 31, 1999]

JESSIE V. PISUEÑA, PETITIONER, VS. HEIRS OF PETRA UNATING AND AQUILINO VILLAR, REPRESENTED BY SALVADOR UPOD AND DOLORES BAUTISTA, RESPONDENTS.

DECISION

PANGANIBAN, J.:

Real property acquired during marriage is presumed to be conjugal. Such *prima facie* presumption, however, can be overturned by a cadastral court's specific finding, which has long become final, that the lot in question was paraphernal in character. The title to the entire property shall pass by operation of law to the buyer once the seller acquires title over it by hereditary succession, even if at the time of the execution of the deed of sale, the seller owned only a portion of the property.

The Case

Before us is a Petition for Review on *Certiorari* seeking to set aside the February 26, 1997 Decision of the Court of Appeals^[1] (CA) in CA-GR CV No. 39955,^[2] as well as its February 12, 1998 Resolution denying reconsideration. The assailed Decision affirmed *in toto* the ruling^[3] of the Regional Trial Court (RTC) of Roxas City in Civil Case No. V-5462, which disposed as follows:

"IN VIEW OF THE FOREGOING CONSIDERATIONS, the court renders judgment:

1. Declaring the 'Escritura de Venta Absoluta' by Felix Villar and Catalina Villar in favor of Agustin Navarra, defendant's predecessor-in-interest, as valid with respect to the one-half share of the whole Lot. No. 1201, Cadastral 228 of the Cadastral of Ivisan, Capiz, located at Barangay Cabugao, Municipality of Ivisan, Province of Capiz, which is registered in the name of Petra Unating married to Aquilino Villar under Original Certificate of Title No. RO-6316 (18422) while the other half belongs to the plaintiffs as Heirs of Aquilino Villar;
2. Dismissing the complaint for lack of merits;
3. Dismissing parties' claim for damages and attorney's fees.

No costs."

The Facts

The present case is rooted in an action for recovery of (1) possession and ownership

of a parcel of land, as well as (2) a sum of money and damages. Before the RTC of Roxas City on May 15, 1989, this case was originally filed against herein petitioner, Jessie Pisueña, by herein respondents, the heirs of Petra Unating and Aquilino Villar represented by Salvador Upod and Dolores Bautista.^[4]

The CA adopted the trial court's summation of the facts as follows:^[5]

"The lot in dispute, known as Lot 1201, Cadastral 228 of the Cadastral of Ivisan, Capiz, located at Barangay Cabugao, Municipality of Ivisan, Province of Capiz, is a registered land in the name of Petra Unating married to Aquilino Villar under Original Certificate of Title No. 18422, containing an area of 83,536 square meters, more or less. Petra Unating died on October 1, 1948 while Aquilino Villar died on January 14, 1953. The spouses had two [legitimate] children, namely Felix Villar and Catalina Villar. Felix Villar died on October 24, 1962, while Catalina Villar died on February 21, 1967.

"For the purpose of this case, Felix Villar is represented by Dolores Villar Bautista, the eldest of his four children while Catalina Villar is represented by Salvador Villar Upod, the eldest of her three (3) children, all as plaintiffs [herein respondents].

"Defendant [herein petitioner], Jessie Pisueña, is the son-in-law of Agustin Navarra who was once a [m]unicipal [m]ayor of the Municipality of Ivisan. Agustin Navarra died on October 30, 1958.

"The land in question was a subject of court litigations between Dolores Bautista and Salvador Upod on one hand, and defendant Jessie Pisueña on the other. Thus, when Salvador Upod filed a petition for reconstitution of its title in Reconstitution Case No. 1408 before Branch I, then Court of First Instance of Capiz, defendant Jessie Pisueña filed his opposition. Nevertheless, the title was reconstituted in the name of the registered owners pursuant to the resolution of the court dated August 6, 1980 and it now has a reconstituted title under OCT No. RO-6316 (18422) in the name of the original registered owners

"Defendant Jessie Pisueña filed a petition for the surrender of withheld owner's duplicate certificate of title under Special Case No. 4610 against Salvador Upod, et. al. for [Quieting] of Title and Damages with Writ of Preliminary Prohibitory Injunction before this court then presided by Hon. Odon C. Yrad, Jr. who dismissed said complaint on August 27, 1984.

"Plaintiffs' evidence further show[s] that Salvador Upod and Dolores Bautista filed a complaint for ejectment with damages against defendant Jessie Pisueña and Norberto Tugna before the Municipal Court of Ivisan docketed as Civil Case No. 94.

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"Plaintiffs [respondents herein] contend that during the lifetime of the registered owners, Petra Unating and Aquilino Villar, they enjoyed the absolute ownership and possession of Lot No. 1201. However, sometime

in 1950 (after the death of Petra Unating on October 1, 1948) Aquilino Villar entered into an oral partnership agreement for ten (10) years with Agustin Navarra involving the swampy portion of the lot in question consisting of around four (4) hectares. It was agreed that the area of around three (3) hectares shall further be developed into a fishpond while about one (1) hectare shall be converted into a fishpond with the investment capital of Agustin Navarra. Whatever excess there was in the capital so invested shall be used to make the fishpond productive. Parties agreed that the net income after deducting expenses shall be divided equally between Aquilino Villar and his co-heirs on one hand and Agustin Navarra on the other. The upland portion of the land was not included in the transaction, hence it remained in the possession of the plaintiffs. While alive, Agustin Navarra, who managed the partnership, religiously gave Aquilino Villar and his co-heirs their share. This arrangement continued until Aquilino Villar died on January 14, 1953. Thereafter, his share in the income of the partnership was delivered by Agustin Navarra to Felix Villar and Catalina Villar.

"Since Agustin Navarra died in 1958, Felix and Catalina Villar repossessed the land in question. They maintained their possession up to the time Felix and Catalina Villar died. Thereafter, the children of Felix and Catalina Villar continued the possession of their predecessor-in-interest until the defendant disturbed their possession sometime in 1974. However, in 1975, they regained physical possession of the disputed area. From 1975, there were intermittent disturbances and intrusions of their physical possession of the land in dispute by the defendant particularly the fishpond portion consisting of about four (4) hectares more or less which resulted [in] the filing of cases against one and the other as earlier stated.

"Sometime in 1982, the defendant, in the company of several men including policemen, wrested physical possession from the plaintiffs which possession of the defendant continued up to the present. Hence, this complaint for its recovery particularly the fishpond portion.

"On the other hand, defendant counters that the whole land in dispute was sold by Felix Villar and Catalina Villar to Agustin Navarra on February 2, 1949. The contract in Spanish captioned "ESCRITURA DE VENTA ABSOLUTA" to evidence such sale was duly notarized by Jose Villagrancia, Notary Public, and was entered in his Notarial Register as Document No. 517; Page 7; Book IV; Series of 1949.

"On December 31, 1968, which [was] more than ten (10) years after the death of Agustin Navarra on October 30, 1958, his heirs executed a Deed of Extra Judicial Partition and Deed of Sale of the land in question in favor of the Spouses Jessie Pisueña and Rosalie Navarra. The document was notarized by Jose P. Brotarly, Notary Public, and docketed in his notarial register as Document No. 409; Page 83; Book No. VI; Series of 1968. From the time of the sale up to the present, the fishpond portion was in the possession of the spouses Jessie Pisueña and Rosalie Navarra. However, the upland portion is in the possession of Salvador Upod and Dolores Bautista by mere tolerance of the defendant. The latter denies

any partnership agreement of the fishpond portion by Agustin Navarra, their predecessor-in-interest, and the plaintiffs.

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On June 24, 1992, the trial court ruled that since the disputed lot was the conjugal property of Spouses Petra Unating and Aquilino Villar, its purported sale by Felix and Catalina Villar to Agustin Navarra could be considered valid. The court, however, ruled that its validity pertained only to the share of the late Petra Unating, considering that at the time of the sale, Aquilino Villar was still alive. It likewise held that the respondents, as heirs of Aquilino Villar, were entitled to his one-half share in the disputed lot.

Before the Court of Appeals, Dolores Bautista and Salvador Upod assailed the trial court's ruling upholding the validity of the *Escritura de Venta Absoluta*. Jessie Pisueña, on the other hand, questioned the court's conclusion that the subject lot was conjugal. He claimed that it was paraphernal, and that the Deed of Sale transferred the whole lot to Agustin Navarra, his predecessor-in-interest.

Ruling of the Court of Appeals

The appellate court affirmed the trial court's ruling *in toto*, holding that the disputed lot belonged to the conjugal partnership of Petra Unating and Aquilino Villar, viz.:

"Anent the first issue, defendant argues that Lot. 1201 was a paraphernal property of Petra Unating. In support of his argument, he mentions the decision of the Court of First Instance of Capiz in Reconstitution Case No. 1408, where in the dispositive portion thereof, said court ordered the reconstitution of the Original and Owner's copy of the Original Certificate of Title covering Lot 1201 in the name of Petra Unating, 40 years old, married to Aquilino Villar, Filipino and residents of Ivisan, Capiz, having inherited said lot from her mother Margarita Argamaso.' He further argues that the mention of the name Aquilino Villar in the certificate of title is merely descriptive of the civil status of Petra Unating and the same could not convert the property into a conjugal one.

"We are not persuaded. The lower court rejected the statement of the Court of First Instance of Capiz in Reconstitution Case No. 1408 that Lot 1201 was inherited by Petra Unating from her mother. We agree with the lower court when it found the phrase 'having inherited said lot from her mother Margarita Argamaso' as a mere obiter, a finding of fact which we find no justifiable reason to set aside. It must be considered that the authority of the Court of First Instance of Capiz to declare Lot 1201 as having been inherited by Petra Unating from her mother is doubtful. We quote the pertinent ruling of the lower court, thus:

'Reconstitution of a certificate of title [denotes] restoration of the instrument which is supposed to have been lost or destroyed in its original form and condition. It is limited to the reconstitution of the certificate as it stood at the time of its loss or destruction and should not be stretched to include later changes which alter or affect the title of the registered owner. The original registered owner of Lot 1201 being Petra Unating

married to Aquilino Villar. [That t]he title should be reconstituted in the same names and findings of said court as to the ownership of the land as paraphernal property of Petra Unating is an obiter. It therefore did not decide whether Lot 1201 is a paraphernal or a conjugal property of the registered owners.'

"We further agree with the lower court when it held that 'in the absence [o]f any evidence o[f] any system [o]f property relation between Petra Unating and Aquilino Villar, it is presumed that it is one of conjugal partnership.' Besides, it appears that Lot 1201 was acquired during the marriage of the Spouses Petra Unating and Aquilino Villar, since the Original Certificate of Title indicates that Lot 1201 was registered in the name of Petra Unating, **married** to Aquilino Villar. Thus, the property is presumed conjugal.

"In resolving the question of presumption of conjugality, the Supreme Court had occasion to rule that:

'The presumption is a strong one. As stated in *Camia de Reyes v. Reyes de Ilano* (63 Phil 629,639), 'it is sufficient to prove that the property was acquired during the marriage in order that the same may be deemed conjugal property.' And in *Laluan v. Malpaya* (65 Phil 494, 504), we stated, "proof of acquisition of the property in dispute during the marriage suffices to render the statutory presumption operative.' (*Mendoza vs. Reyes*, 124 SCRA 154; emphasis supplied).

"Additionally, defendant Pisueña, who brought up the question of Lot 1201 being the paraphernal property of Petra Unating failed to adduce convincing and concrete evidence that would rebut the presumption of conjugality of the subject lot. Moreover, it is settled that registration alone of the property in the name of one of the spouses does not destroy the conjugal nature of the property. (*Mendoza vs. Reyes*, *supra* and *Bucoy vs. Paulino*, 23 SCRA 248).

The Court of Appeals also rejected Salvador Upod's attack on the *Escritura de Venta Absoluta*, reasoning that the Deed of Sale was duly notarized and that no evidence was presented to rebut its due execution, validity and admissibility as evidence. Furthermore, the appellate court noted that the respondents were aware of the nature and the content of the assailed Deed, and that they did not object to its translation given in the trial court.

Likewise, the CA debunked Upod's contention that Pisueña's cause of action had prescribed. It ruled:

"On the fourth issue, plaintiff Salvador Upod contends that defendant Pisueña could no longer enforce his right since Article 1144 of the Civil Code provides that an action based upon a written contract must be brought within ten years from the time the right of action accrues.

"The contention is not meritorious. It is obvious that the above-mentioned article does not apply in the case at bench since defendant