



Republic of the Philippines
Supreme Court
Baguio City

SECOND DIVISION

MELECIO DOMINGO,
Petitioner,

G.R. No. 200274

Present:

- versus -

CARPIO, J., Chairperson,
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, JJ.

SPOUSES GENARO MOLINA and
ELENA B. MOLINA, substituted by
ESTER MOLINA,
Respondents.

Promulgated:

120 APR 2016

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DECISION

BRION, J.:

We resolve the petition for review on *certiorari*¹ filed by the petitioner Melecio Domingo (*Melecio*) assailing the August 9, 2011 decision² and January 10, 2012 resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 94160.

THE FACTS

In June 15, 1951, the spouses Anastacio and Flora Domingo bought a property in Camiling, Tarlac, consisting of a one-half undivided portion over an 18,164 square meter parcel of land. The sale was annotated on the Original Certificate of Title (OCT) No. 16354 covering the subject property.

During his lifetime, Anastacio borrowed money from the respondent spouses Genaro and Elena Molina (*spouses Molina*). On September 10,

¹ Rollo, pp. 9-20.

² Penned by Associate Justice Ricardo R. Rosario and concurred in by Associate Justices Hakim S. Abdulwahid and Rodil V. Zalameda; *id.* at 71-85.

³ *Id.* at 93.

1978 or 10 years after Flora's death⁴, Anastacio sold his interest over the land to the spouses Molina to answer for his debts. The sale to the spouses Molina was annotated at the OCT of the subject property.⁵ In 1986, Anastacio died.⁶

In May 19, 1995, the sale of Anastacio's interest was registered under Transfer Certificate of Title (*TCT*) No. 272967⁷ and transferred the entire one-half undivided portion of the land to the spouses Molina.

Melecio, one of the children of Anastacio and Flora, learned of the transfer and filed a *Complaint for Annulment of Title and Recovery of Ownership (Complaint)* against the spouses Molina on May 17, 1999.⁸

Melecio claims that Anastacio gave the subject property to the spouses Molina to serve as collateral for the money that Anastacio borrowed. Anastacio could not have validly sold the interest over the subject property without Flora's consent, as Flora was already dead at the time of the sale.

Melecio also claims that Genaro Molina must have falsified the document transferring Anastacio and Flora's one-half undivided interest over the land. Finally, Melecio asserts that he occupied the subject property from the time of Anastacio's death up to the time he filed the *Complaint*.⁹

Melecio presented the testimonies of the Records Officer of the Register of Deeds of Tarlac, and of Melecio's nephew, George Domingo (*George*).¹⁰

The Records Officer testified that he could not locate the instrument that documents the transfer of the subject property ownership from Anastacio to the spouses Molina. The Records Officer also testified that the alleged sale was annotated at the time when Genaro Molina's brother was the Register of Deeds for Camiling, Tarlac.¹¹

George, on the other hand, testified that he has been living on the subject property owned by Anastacio since 1986. George testified, however, that aside from himself, there were also four other occupants on the subject property, namely Jaime Garlitos, Linda Sicangco, Serafio Sicangco and Manuel Ramos.¹²

⁴ Flora died in 1968 or 10 years before the sale of the subject property to the respondents; *id.* at 73.

⁵ *Id.* at 72.

⁶ *Id.* at 73.

⁷ *Id.* at 29.

⁸ *Supra* note 7.

⁹ *Rollo*, pp. 73-74.

¹⁰ *Id.* at 75.

¹¹ *Id.*

¹² *Id.* at 37.

The spouses Molina asserted that Anastacio surrendered the title to the subject property to answer for his debts and told the spouses Molina that they already own half of the land. The spouses Molina have been in possession of the subject property before the title was registered under their names and have religiously paid the property's real estate taxes.

The spouses Molina also asserted that Melecio knew of the disputed sale since he accompanied Anastacio several times to borrow money. The last loan was even used to pay for Melecio's wedding. Finally, the spouses Molina asserted that Melecio built his nipa hut on the subject property only in 1999, without their knowledge and consent.¹³

The spouses Molina presented Jaime Garlitos (*Jaime*) as their sole witness and who is one of the occupants of the subject lot.

Jaime testified that Elena Molina permitted him to build a house on the subject property in 1993. Jaime, together with the other tenants, planted fruit bearing trees on the subject property and gave portions of their harvest to Elena Molina without any complaint from Melecio. Jaime further testified that Melecio never lived on the subject property and that only George Domingo, as the caretaker of the spouses Molina, has a hut on the property.

Meanwhile, the spouses Molina died during the pendency of the case and were substituted by their adopted son, Cornelio Molina.¹⁴

THE RTC RULING

The Regional Trial Court (*RTC*) dismissed¹⁵ the case because Melecio failed to establish his claim that Anastacio did not sell the property to the spouses Molina.

The RTC also held that Anastacio could dispose of conjugal property without Flora's consent since the sale was necessary to answer for conjugal liabilities.

The RTC denied Melecio's motion for reconsideration of the RTC ruling. From this ruling, Melecio proceeded with his appeal to the CA.

THE CA RULING

In a decision dated August 9, 2011, the CA affirmed the RTC ruling *in toto*.

The CA held that Melecio failed to prove by preponderant evidence that there was fraud in the conveyance of the property to the spouses Molina. The CA gave credence to the OCT annotation of the disputed property sale.

¹³ *Id.* at 74.

¹⁴ Records, pp. 145 and 180.

¹⁵ RTC Decision dated August 10, 2009. *Rollo*, pp. 36-39.

The CA also held that Flora's death is immaterial because Anastacio only sold his rights, excluding Flora's interest, over the lot to the spouses Molina. The CA explained that "[t]here is no prohibition against the sale by the widower of real property formerly belonging to the conjugal partnership of gains"¹⁶.

Finally, the CA held that Melecio's action has prescribed. According to the CA, Melecio failed to file the action within one year after entry of the decree of registration.

Melecio filed a motion for reconsideration of the CA Decision. The CA denied Melecio's motion for reconsideration for lack of merit.¹⁷

THE PETITION

Melecio filed the present petition for review on *certiorari* to challenge the CA ruling.

Melecio principally argues that the sale of land belonging to the conjugal partnership without the wife's consent is invalid.

Melecio also claims that fraud attended the conveyance of the subject property and the absence of any document evidencing the alleged sale made the transfer null and void. Finally, Melecio claims that the action has not yet prescribed.

The respondents, on the other hand, submitted and adopted their arguments in their Appeal Brief¹⁸.

First, Melecio's counsel admitted that Anastacio had given the lot title in payment of the debt amounting to Php30,000.00. The delivery of the title is constructive delivery of the lot itself based on Article 1498, paragraph 2 of the Civil Code.

Second, the constructive delivery of the title coupled with the spouses Molina's exercise of attributes of ownership over the subject property, perfected the sale and completed the transfer of ownership.

THE ISSUES

The core issues of the petition are as follows: (1) whether the sale of a conjugal property to the spouses Molina without Flora's consent is valid and legal; and (2) whether fraud attended the transfer of the subject property to the spouses Molina.

¹⁶ *Rollo*, p. 79.

¹⁷ *Id.* at 93.

¹⁸ *Id.* at 105-110.

OUR RULING

We *deny* the petition.

It is well settled that when the trial court's factual findings have been affirmed by the CA, the findings are generally conclusive and binding upon the Court and may no longer be reviewed on Rule 45 petitions.¹⁹ While there are exceptions²⁰ to this rule, the Court finds no applicable exception with respect to the lower courts' finding that the subject property was Anastacio and Flora's conjugal property. Records before the Court show that the parties did not dispute the conjugal nature of the property.

Melecio argues that the sale of the disputed property to the spouses Molina is void without Flora's consent.

We do not find Melecio's argument meritorious.

***Anastacio and Flora's
conjugal partnership was
dissolved upon Flora's death.***

There is no dispute that Anastacio and Flora Domingo married before the **Family Code's effectivity on August 3, 1988** and their property relation is a conjugal partnership.²¹

Conjugal partnership of gains established before and after the effectivity of the Family Code are governed by the rules found in Chapter 4 (*Conjugal Partnership of Gains*) of Title IV (*Property Relations Between Husband and Wife*) of the Family Code. This is clear from Article 105 of the Family Code which states:

¹⁹ *Tan v. Andrade, et al.*, G.R. No. 171904, August 7, 2013, 703 SCRA 198, 204-205.

²⁰ *Fuentes v. Court of Appeals*, G.R. No. 109849, February 26, 1997, 268 SCRA 703, 708-709, stating:

The findings of fact of the Court of Appeals, which are as a general rule deemed conclusive, may admit of review by this Court:

- (1) when the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) when the findings are grounded entirely on speculation, surmises, or conjectures;
- (3) when the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd, or impossible;
- (4) when there is grave abuse of discretion in the appreciation of facts;
- (5) when the appellate court, in making its findings, goes beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;
- (6) when the judgment of the Court of Appeals is premised on a misapprehension of facts;
- (7) when the Court of Appeals fails to notice certain relevant facts which, if properly considered, will justify a different conclusion;
- (8) when the findings of fact are themselves conflicting;
- (9) when the findings of fact are conclusions without citation of the specific evidence on which they are based; and
- (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record.

²¹ Anastacio and Flora were already married at the time they bought the subject property on June 15, 1951, as shown by the annotation on OCT covering the subject property, *rollo*, p. 72.

x x x The provisions of this Chapter shall also apply to conjugal partnerships of gains already established between spouses before the effectivity of this Code, *without prejudice to vested rights already acquired in accordance with the Civil Code or other laws*, as provided in Article 256.

The conjugal partnership of Anastacio and Flora was dissolved when Flora died in 1968, pursuant to Article 175 (1) of the Civil Code²² (now Article 126 (1) of the Family Code).

Article 130 of the Family Code requires the liquidation of the conjugal partnership upon death of a spouse and prohibits any disposition or encumbrance of the conjugal property prior to the conjugal partnership liquidation, to quote:

Article 130. Upon the termination of the marriage by death, **the conjugal partnership property shall be liquidated in the same proceeding for the settlement of the estate of the deceased.**

If no judicial settlement proceeding is instituted, the surviving spouse shall liquidate the conjugal partnership property either judicially or extra-judicially within one year from the death of the deceased spouse. **If upon the lapse of the six month period no liquidation is made, any disposition or encumbrance involving the conjugal partnership property of the terminated marriage shall be void.** x x x (emphases supplied)

While Article 130 of the Family Code provides that any disposition involving the conjugal property without prior liquidation of the partnership shall be void, this rule does not apply since the provisions of the Family Code shall be “without prejudice to vested rights already acquired in accordance with the Civil Code or other laws.”²³

An implied co-ownership among Flora’s heirs governed the conjugal properties pending liquidation and partition.

In the case of *Taningco v. Register of Deeds of Laguna*,²⁴ we held that the properties of a dissolved conjugal partnership fall under the regime of co-ownership among the surviving spouse and the heirs of the deceased spouse until final liquidation and partition. The surviving spouse, however, has an actual and vested one-half undivided share of the properties, which does not consist of determinate and segregated properties until liquidation and partition of the conjugal partnership.

²² CIVIL CODE, ART. 175. The conjugal partnership of gains terminates:
(1) Upon the death of either spouse; x x x

²³ Article 105 of Family Code.

²⁴ G.R. No. L-15242, June 29, 1962, 5 SCRA 381, 382.

An implied ordinary co-ownership ensued among Flora's surviving heirs, including Anastacio, with respect to Flora's share of the conjugal partnership until final liquidation and partition; Anastacio, on the other hand, owns one-half of the original conjugal partnership properties as his share, but this is an undivided interest.

Article 493 of the Civil Code on co-ownership provides:

Article 493. **Each co-owner** shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he **may** therefore **alienate**, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the **effect of the alienation** or the mortgage, **with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership.** (399) (emphases supplied)

Thus, Anastacio, as co-owner, cannot claim title to any specific portion of the conjugal properties without an actual partition being first done either by agreement or by judicial decree. Nonetheless, Anastacio had the right to freely sell and dispose of his undivided interest in the subject property.

The spouses Molina became co-owners of the subject property to the extent of Anastacio's interest.

The OCT annotation of the sale to the spouses Molina reads that “[o]nly the rights, interests and participation of Anastacio Domingo, married to Flora Dela Cruz, is hereby sold, transferred, and conveyed unto the said vendees for the sum of ONE THOUSAND PESOS (₱1,000.00) which **pertains to an undivided one-half (1/2) portion** and subject to all other conditions specified in the document x x x”²⁵ (emphases supplied). At the time of the sale, Anastacio's undivided interest in the conjugal properties consisted of: (1) one-half of the entire conjugal properties; and (2) his share as Flora's heir on the conjugal properties.

Anastacio, as a co-owner, had the right to freely sell and dispose of his undivided interest, but not the interest of his co-owners. Consequently, Anastacio's sale to the spouses Molina without the consent of the other co-owners was not totally void, for Anastacio's rights or a portion thereof were thereby effectively transferred, making the spouses Molina a co-owner of the subject property to the extent of Anastacio's interest. This result conforms with the well-established principle that the binding force of a contract must be recognized as far as it is legally possible to do so (*quando res non valet ut ago, valeat quantum valere potest*).²⁶

²⁵ Rollo, p.79.

²⁶ *Heirs of Protacio Go, Sr. v. Servacio*, G.R. No. 15737, September 7, 2011, 657 SCRA 10, 16-17.

The spouses Molina would be a trustee for the benefit of the co-heirs of Anastacio in respect of any portion that might belong to the co-heirs after liquidation and partition. The observations of Justice Paras cited in the case of *Heirs of Protacio Go, Sr. V. Servacio*²⁷ are instructive:

x x x [I]f it turns out that the property alienated or mortgaged really would pertain to the share of the surviving spouse, then said transaction is valid. If it turns out that there really would be, after liquidation, no more conjugal assets then the whole transaction is null and void. But if it turns out that half of the property thus alienated or mortgaged belongs to the husband as his share in the conjugal partnership, and half should go to the estate of the wife, then that corresponding to the husband is valid, and that corresponding to the other is not. Since all these can be determined only at the time the liquidation is over, it follows logically that a disposal made by the surviving spouse is not void ab initio. Thus, it has been held that the sale of conjugal properties cannot be made by the surviving spouse without the legal requirements. The sale is void as to the share of the deceased spouse (except of course as to that portion of the husband's share inherited by her as the surviving spouse). The buyers of the property that could not be validly sold become trustees of said portion for the benefit of the husband's other heirs, the cestui que trust ent. Said heirs shall not be barred by prescription or by laches.

Melecio's recourse as a co-owner of the conjugal properties, including the subject property, is an action for partition under Rule 69 of the Revised Rules of Court. As held in the case of *Heirs of Protacio Go, Sr.*, "it is now settled that the appropriate recourse of co-owners in cases where their consent were not secured in a sale of the entire property as well as in a sale merely of the undivided shares of some of the co-owners is an action for PARTITION under Rule 69 of the Revised Rules of Court."²⁸

The sale of the subject property to the spouses Molina was not attended with fraud.

On the issue of fraud, the lower courts found that there was no fraud in the sale of the disputed property to the spouses Molina.

The issue of fraud would require the Court to inquire into the weight of evidentiary matters to determine the merits of the petition and is essentially factual in nature. It is basic that factual questions cannot be entertained in a Rule 45 petition, unless it falls under any of the recognized exceptions²⁹ found in jurisprudence. The present petition does not show that it falls under any of the exceptions allowing factual review.

The CA and RTC conclusion that there is no fraud in the sale is supported by the evidence on record.

²⁷ *Id.* at 18-19 (citations omitted).

²⁸ *Id.*

²⁹ *Supra* note 20.

Melecio's argument that no document was executed for the sale is negated by the CA finding that there was a notarized deed of conveyance executed between Anastacio and the spouses Molina, as annotated on the OCT of the disputed property.

Furthermore, Melecio's belief that Anastacio could not have sold the property without his knowledge cannot be considered as proof of fraud to invalidate the spouses Molina's registered title over the subject property.³⁰

Prevailing jurisprudence uniformly holds that findings of facts of the trial court, particularly when affirmed by the Court of Appeals, are binding upon this Court.³¹

Considering these findings, we find no need to discuss the other issues raised by Melecio.

WHEREFORE, we hereby **DENY** the petition for review on *certiorari*. The decision dated August 9, 2011 of the Court of Appeals in CA-G.R. CV No. 94160 is **AFFIRMED**.

SO ORDERED.

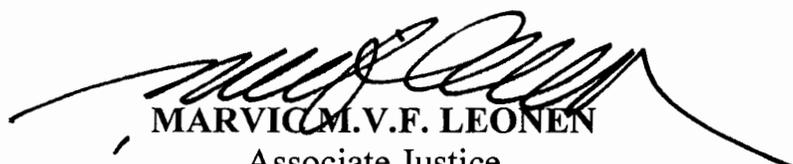

ARTURO D. BRION
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


MARIANO C. DEL CASTILLO
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M. V. F. LEONEN
Associate Justice

³⁰ *Rollo*, pp. 80-81.

³¹ *Supra* note 19.

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

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.



MARIA LOURDES P.A. SERENO
Chief Justice