



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

**TERESA R. IGNACIO,**  
Petitioner,

**G.R. No. 213192**

**Present:**

- versus -

CARPIO, *J.*, Chairperson,  
PERALTA,  
MENDOZA,  
LEONEN,\* and  
MARTIRES, JJ.

**RAMON REYES, FLORENCIO  
REYES, JR., ROSARIO R. DU and  
CARMELITA R. PASTOR,**  
Respondents.

**Promulgated:**

12 JUL 2017  
*[Signature]*

X-----X

**DECISION**

**PERALTA, J.:**

Before this Court is a petition for review on certiorari filed by petitioner Teresa R. Ignacio (*Teresa*) challenging the Decision<sup>1</sup> and Resolution,<sup>2</sup> dated March 27, 2014 and June 27, 2014, respectively, of the Court of Appeals (CA), which annulled and set aside the Orders dated April 13, 2004 and June 14, 2012 of the Regional Trial Court (RTC) of Pasig City, Branch 151.

The facts follow:

On July 11, 1967, Angel Reyes (*Angel*) and Oliva<sup>3</sup> R. Arevalo (*Oliva*) filed before the then Court of First Instance of Rizal (now RTC of Pasig

\* On leave.  
<sup>1</sup> Penned by Associate Justice Vicente S.E. Veloso, with Associate Justices Jane Aurora C. Lantion and Nina G. Antonio-Valenzuela, concurring; *rollo* pp. 27-40.  
<sup>2</sup> *Id.* at 44-45.  
<sup>3</sup> Also spelled as "Olivia" in the records.

*[Handwritten mark]*

City, Branch 151) (*intestate court*) a Petition<sup>4</sup> for Letters of Administration of the Estate of their father Florencio Reyes, Sr. (*Florencio Sr.*) who died on June 23, 1967, and enumerated therein the surviving heirs, namely: Oliva, Francisca Vda. de Justiniani (*Francisca*), Angel, Amparo R. Avecilla (*Amparo*), Ramon Reyes (*Ramon*), Teresa, Rosario R. Du (*Rosario*), Jose Reyes (*Reyes*), Soledad Reyes (*Soledad*), Carmelita<sup>5</sup> R. Pastor (*Carmelita*), and Florencio Reyes, Jr. (*Florencio Jr.*). On July 15, 1967, the intestate court appointed Oliva as the special administratrix of the estate of Florencio Sr. (*Florencio Sr. estate*), and then as the regular administratrix in an Order dated November 23, 1967.<sup>6</sup> Florencio, Jr. replaced Oliva in 1982. Thereafter, Teresa became the administratrix of the Florencio Sr. estate on August 8, 1994.<sup>7</sup>

On December 5, 1994, Teresa executed a lease contract over a 398 square meters (*sq. m.*) parcel of land located at Magsaysay Avenue, Baguio City covered by Transfer Certificate of Title (*TCT*) No. T-59201 (*Magsaysay property*) in favor of Gonzalo Ong, Virginia Lim, Nino Yu, Francisco Lim and Simona Go.<sup>8</sup> In an Order<sup>9</sup> dated July 15, 1996, the intestate court approved the lease contract upon Teresa's motion dated June 4, 1996.

Likewise, on September 26, 1996, the intestate court allowed Teresa to enter into a lease contract over the parcel of land located at Session Road, Baguio City with a total area of 646 sq. m. covered by TCT No. T-26769 (*Session Road property*) to Famous Realty Corporation (*FRC*).<sup>10</sup> Thus, on October 29, 1996, Teresa leased the Session Road property to FRC for the period of July 1, 1996 to June 30, 2003, with a monthly rental of ₱135,000.00.<sup>11</sup>

Sometime in January 1997, Teresa also leased the properties located at Loakan Road, Baguio City covered by TCT Nos. T-26770 and T-26772 (*Loakan and Military Cut-off properties*), in favor of ATC Wonderland, Inc. and, subsequently, to Gloria de Guzman and Sonshine Pre-School for a period of ten years, effective September 1, 1996 to August 31, 2006.<sup>12</sup>

On September 25, 2001, herein respondents Ramon, Florencio Jr., Rosario and Carmelita, and the Heirs of Amparo, Intestate Estate of Soledad, Jose and Intestate Estate of Angel (*plaintiffs*) filed before the RTC of Baguio

<sup>4</sup> CA rollo, pp. 47-50.

<sup>5</sup> Also "Carmelita Clara" or "Clara Carmelita" in the records.

<sup>6</sup> CA rollo, pp. 55 and 59, issued by the then Judge, Justice Cecilia Muñoz Palma.

<sup>7</sup> Rollo p. 29.

<sup>8</sup> CA rollo pp. 77-79.

<sup>9</sup> Penned by Judge Deogracias O. Felizardo; *id.* at 80.

<sup>10</sup> CA rollo, p. 91.

<sup>11</sup> *Id.* at 94.

<sup>12</sup> *Id.* at 103.

City, Branch 3 (*Baguio RTC*), three complaints for partition, annulment of lease contract, accounting and damages with prayer for the issuance of a writ of preliminary injunction against Teresa and the lessees of the subject Baguio properties.<sup>13</sup>

The plaintiffs alleged in their Complaints<sup>14</sup> that, with the exception of the lessees, the parties and the Florencio Sr. estate own one-tenth (1/10) of each of the Session Road, Loakan and Military Cut-off, and Magsaysay properties. They claimed that Teresa misrepresented that the Florencio Sr. estate is the sole owner of the properties and leased the same to the other parties without their conformity. They also asserted in one of their complaints that the Florencio Sr. estate is different from the Heirs of Florencio Sr. and Heirs of Salud.

They averred that, as co-owners, they have not received their share in the monthly rentals of the properties aforementioned due to Teresa's failure to duly account for the same. Thus, they are asking for the partition of the properties, for the accounting of all the rentals, income or profits derived, and deliver the same to the plaintiffs, for the annulment of the lease contracts and order the lessees to vacate the premises, and for the payment of damages.<sup>15</sup>

Thereafter, the Baguio RTC directed and commissioned a team of auditors with Leticia Clemente as the head accountant to conduct an accounting of the properties. Based on the Report,<sup>16</sup> Teresa, as administratrix of the Florencio Sr. estate, had a total cash accountability amounting to Fifteen Million Two Hundred Thirty-Eight Thousand Sixty-Six Pesos and Fifty-One Centavos (₱15,238,066.51). In an Order<sup>17</sup> dated August 27, 2003, the Baguio RTC manifested that it shall await a Request Order from the intestate court regarding the possible distribution of the subject properties.<sup>18</sup>

Subsequently, on January 19, 2004, respondents and the others filed a motion<sup>19</sup> before the intestate court praying for the issuance of an order allowing the distribution of the heirs' aliquot shares in the co-owned properties' net income, and the partition of the said properties by the Baguio RTC. However, the intestate court denied the motion in an Order<sup>20</sup> dated April 13, 2004, a portion of which reads:

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<sup>13</sup> *Rollo* p. 29.

<sup>14</sup> *CA rollo*, pp. 92-100, Special Civil Action No. 5055-R; at 101-113, Special Civil Action No. 5056-R; at 115-122, Special Civil Action No. 5057-R.

<sup>15</sup> *Rollo* pp. 31-32.

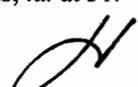
<sup>16</sup> *CA rollo* pp. 131-132.

<sup>17</sup> Penned by Presiding Judge Fernando Vil Pamintuan; *id.* at 194.

<sup>18</sup> *CA rollo*, p. 157.

<sup>19</sup> Motion to Allow the Distribution of the Estate's and Co-owners' Shares in the Properties Co-owned by the Estate and the Heirs Located in Baguio City, *id.* at 158-163.

<sup>20</sup> Penned by then Judge Franchito N. Diamante, now a Justice of the Court of Appeals; *id.* at 31.



x x x This Court cannot allow the Baguio Court to partition the property of the estate because this Court already has jurisdiction over the matter. In fact, this Court is wondering why actions for partition are being entertained in other jurisdictions when such can be readily addressed by this Court as an estate court.

WHEREFORE, finding no merit in the instant motion, the Court hereby DENIES the same.

SO ORDERED.<sup>21</sup>

In an Order dated June 14, 2012, the intestate court denied respondents' motion for reconsideration dated May 12, 2004, thus:

Thus finding no sufficient reasons to reverse and set aside this court's Order dated April 13, 2004 considering the pendency before this court of the other incidents involving the Baguio properties including the sale of Session Road property covered by TCT No. 26769 and even the distribution of the proceeds of the sale thereof with hearings conducted on the Financial Report (Re: Proceeds of the Sale of the Property at Session Road in Baguio City), and recently with the filing of the Proposed Project of Partition/ Amended Proposed Project of Partition, as such, the Motion for Reconsideration dated May 12, 2004 is DENIED.

The continuation of presentation of evidence for the Heirs of Carmelita Clara Pastor et. (sic) al. re: Removal of Administratrix/ Motion to Liquidate and Reimburse Cash Advances is previously set on August 15, 2012 at 1:30 in the afternoon.

SO ORDERED.<sup>22</sup>

Thereafter, the respondents filed before the CA a petition for certiorari assailing the Orders dated April 13, 2004 and June 14, 2012 of the intestate court disallowing the partition of the Baguio properties.

In a Decision dated March 27, 2014, the CA granted the petition and annulled and set aside the assailed Orders of the intestate court. The dispositive portion of the Decision states:

WHEREFORE, the instant Petition is GRANTED. The Assailed Orders of the Regional Trial Court of Pasig City, Branch 151, dated April 13, 2004 and June 14, 2012 are ANNULLED and SET ASIDE. Petitioners' motion to allow partition and distribution of shares over properties Co-Owned by the Estate and the Heirs [l]ocated in Baguio City, is GRANTED.

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<sup>21</sup>

*Id.*

<sup>22</sup>

Penned by Presiding Judge Ma. Teresa Cruz-San Gabriel; *id.* at 46.



On the other hand, the Regional Trial Court of Baguio City, Branch 3, before which court Special Civil Actions Nos. 5055-R, 5056-R, and 5057-R are pending, is DIRECTED to partition the Baguio Properties among the registered co-owners thereof.

SO ORDERED.<sup>23</sup>

Upon denial of her motion for reconsideration, Teresa filed before this Court the instant petition raising the following issues:

- I. THERE IS AN APPEAL OR OTHER PLAIN, SPEEDY AND [ADEQUATE] REMEDY IN THE ORDINARY COURSE OF LAW [AVAILABLE] TO THE RESPONDENTS.
- II. RESPONDENTS ARE, IN EFFECT, ASKING THE TRIAL COURT TO VIOLATE THE RULES OF COURT.
- III. IN LEGAL CONTEMPLATION, THE CHALLENGED ORDERS WERE NOT ISSUED WITH GRAVE ABUSE OF DISCRETION.

The Court finds the instant petition without merit.

Teresa argues that there is an appeal or other plain, speedy and adequate remedy in the ordinary course of law available. She maintains that the intestate court asserted its jurisdiction and authority over the subject properties and proceeded to conduct hearings to resolve the issues of accounting, payment of advances, and distribution of assets and the proceeds of the sale of the estate properties. The Baguio RTC opted to defer and not to proceed with the cases. Thus, it is logical and proper that the respondents ask the Baguio RTC to proceed with the case and then appeal the same if denied.<sup>24</sup> Teresa further avers that it is not disputed that the obligations enumerated in Section 1,<sup>25</sup> Rule 90 of the Rules of Court has not yet been fully paid. Thus, it would be premature for the trial court to allow the advance distribution of the estate. A partial and premature distribution of the estate may only be done upon posting of a bond, conditioned upon the full payment of the obligations, which was not done in the present case.

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<sup>23</sup> Rollo p. 40.

<sup>24</sup> *Id.* at 15.

<sup>25</sup> 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 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.

We note, however, that in her Partial Motion to Dismiss<sup>26</sup> dated July 1, 2016 before this Court, Teresa now agrees with the findings of the CA that the Magsaysay property is co-owned by the parties, and should not be covered by the estate proceedings.<sup>27</sup>

As a rule, a petition for certiorari under Rule 65 of the Rules of Court is valid only when the question involved is an error of jurisdiction, or when there is grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the court or tribunals exercising *quasi-judicial* functions.<sup>28</sup> In this case, the propriety of the special civil action for certiorari as a remedy depended on whether the assailed orders of the RTC were final or interlocutory in nature.<sup>29</sup> This Court has distinguished the interlocutory and final orders, as follows:

**A "final" judgment or order is one that finally disposes of a case, leaving nothing more to be done by the Court in respect thereto, e.g., an adjudication on the merits which, on the basis of the evidence presented at the trial, declares categorically what the rights and obligations of the parties are and which party is in the right; or a judgment or order that dismisses an action on the ground, for instance, of res judicata or prescription. Once rendered, the task of the Court is ended, as far as deciding the controversy or determining the rights and liabilities of the litigants is concerned. Nothing more remains to be done by the Court except to await the parties' next move (which among others, may consist of the filing of a motion for new trial or reconsideration, or the taking of an appeal) and ultimately, of course, to cause the execution of the judgment once it becomes "final" or, to use the established and more distinctive term, "final and executory."**

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**Conversely, an order that does not finally dispose of the case, and does not end the Court's task of adjudicating the parties' contentions and determining their rights and liabilities as regards each other, but obviously indicates that other things remain to be done by the Court, is "interlocutory" e.g., an order denying a motion to dismiss under Rule 16 of the Rules, or granting a motion for extension of time to file a pleading, or authorizing amendment thereof, or granting or denying applications for postponement, or production or inspection of documents or things, etc. Unlike a "final" judgment or order, which is appealable, as above pointed out, an "interlocutory" order may not be questioned on appeal except only as part of an appeal that may eventually be taken from the final judgment rendered in the case.<sup>30</sup>**

<sup>26</sup> Rollo, pp. 85-87.

<sup>27</sup> *Id.* at 86.

<sup>28</sup> *Maglalang v. Philippine Amusement and Gaming Corp.*, 723 Phil. 546, 561 (2013).

<sup>29</sup> *Aranas v. Mercado*, 724 Phil. 174, 183 (2014).

<sup>30</sup> *Calderon v. Roxas, et al.*, 701 Phil. 301, 308-309 (2013).

The assailed April 13, 2004 and June 14, 2012 Orders denying respondents' motion to allow the distribution of the estate's and co-owners' shares in the subject properties were interlocutory. This is because such denial was not a final determination of their alleged co-ownership. In fact, the intestate court merely asserted its jurisdiction over the properties which were allegedly co-owned with the Florencio Sr. estate.

Jurisprudence teaches that jurisdiction of the trial court as an intestate court is special and limited as it relates only to matters having to do with the probate of the will and/or settlement of the estate of deceased persons, but does not extend to the determination of questions of ownership that arise during the proceedings. This is true whether or not the property is alleged to belong to the estate.<sup>31</sup>

Furthermore, the doctrine that "in a special proceeding for the probate of a will, the question of ownership is an extraneous matter which the probate court cannot resolve with finality" applies with equal force to an intestate proceeding as in the case at bar.<sup>32</sup> Thus:

"[A] probate court or one in charge of proceedings whether testate or intestate cannot adjudicate or determine title to properties claimed to be a part of the estate and which are claimed to belong to outside parties. All that the said court could do as regards said properties is to determine whether they should or should not be included in the inventory or list of properties to be administered by the administrator. If there is not dispute, well and good, but if there is, then the parties, the administrator, and the opposing parties have to resort to an ordinary action for a final determination of the conflicting claims of title because the probate court cannot do so."<sup>33</sup>

Corollarily, in the case of *Agtarap v. Agtarap, et al.*<sup>34</sup> the Court enumerated the instances when the intestate court may pass upon the issue of ownership, to wit:

However, this general rule is subject to exceptions as justified by expediency and convenience.

First, the probate court may provisionally pass upon in an intestate or a testate proceeding the question of inclusion in, or exclusion from, the inventory of a piece of property without prejudice to the final determination of ownership in a separate action. Second, if the interested parties are all heirs to the estate, or the question is one of collation or advancement, or the parties consent to the assumption of jurisdiction by the

<sup>31</sup> *Ongsingco, etc. v. Tan, etc., and Borja*, 97 Phil. 330, 334 (1955), as cited in *Jardeleza v. Jardeleza*, G.R. No. 167975, June 17, 2015, 758 SCRA 659, 663.

<sup>32</sup> *Sanchez v. Court of Appeals*, 345 Phil. 155, 179 (1997)

<sup>33</sup> *Id.* at 180, citing *Ortega vs. Court of Appeals*, 237 Phil. 99, 105 (1987).

<sup>34</sup> 666 Phil. 452 (2011).



probate court and the rights of third parties are not impaired, then the probate court is competent to resolve issues on ownership. Verily, its jurisdiction extends to matters incidental or collateral to the settlement and distribution of the estate, such as the determination of the status of each heir and whether the property in the inventory is conjugal or exclusive property of the deceased spouse.<sup>35</sup>

From the foregoing, this Court holds that the general rule on the limited jurisdiction of the RTC as intestate court is applicable in Special Civil Action Nos. 5055-R and 5056-R. As to the Magsaysay property in Special Civil Action No. 5057-R, it is evident from the certificate of title that the rights of parties other than the heirs of Florencio Sr. will be impaired should the intestate court decide on the ownership of the property.

We note that respondents presented certificates of title of the properties registered under their names and the Florencio Sr. estate, and their respective shares.<sup>36</sup> As pronounced in *Bolisay v. Judge Alcid*:<sup>37</sup>

In regard to such incident of inclusion or exclusion, We hold that if a property covered by Torrens Title is involved, the presumptive conclusiveness of such title should be given due weight, and in the absence of strong compelling evidence to the contrary, the holder thereof should be considered as the owner of the property in controversy until his title is nullified or modified in an appropriate ordinary action, particularly, when as in the case at bar, possession of the property itself is in the persons named in the title.<sup>38</sup>

As such, they are considered the owners of the properties until their title is nullified or modified in an appropriate ordinary action. The co-ownership of the said properties by virtue of the certificates of title is a common issue in the complaints for partition filed before the Baguio RTC. Thus, the intestate court committed grave abuse of discretion when it asserted jurisdiction over the subject properties since its jurisdiction relates only to matters having to do with the settlement of the estate of deceased persons. Any decision that the intestate court would render on the title of the properties would at best be merely provisional in character, and would yield to a final determination in a separate action.

An action for partition under Rule 69 of the Rules of Court is typically brought by a person claiming to be the owner of a specified property against a defendant or defendants whom the plaintiff recognizes to be his co-owners,<sup>39</sup>

<sup>35</sup> *Agtarap v. Agtarap, et al., supra*, at 469.

<sup>36</sup> CA rollo pp. 99-100; 108-110; 111-113; 123-125.

<sup>37</sup> 174 Phil. 463 (1978).

<sup>38</sup> *Bolisay v. Judge Alcid, supra*, at 470, as cited in *Pacioles, Jr. v. Chuatoco-Ching*, 503 Phil. 707, 719 (2005).

<sup>39</sup> *Lim De Mesa v. Court of Appeals*, 301 Phil. 783, 792 (1994).

and is premised on the existence or non-existence of co-ownership between the parties.<sup>40</sup> As discussed in *Lim De Mesa v. Court of Appeals*,<sup>41</sup> the determination of the existence of co-ownership is the first stage to accord with the remedy of judicial partition, thus:

The first stage of an action for judicial partition and/or accounting is concerned with the determination of whether or not a co-ownership in fact exists and a partition is proper, that is, it is not otherwise legally proscribed and may be made by voluntary agreement of all the parties interested in the property. This phase may end in a declaration that plaintiff is not entitled to the desired partition either because a co-ownership does not exist or a partition is legally prohibited. It may also end, on the other hand, with an adjudgment that a co-ownership does in truth exist, that partition is proper in the premises, and that an accounting of rents and profits received by the defendant from the real estate in question is in order. In the latter case, "the parties may, if they are able to agree, make partition among themselves by proper instruments of conveyance, and the court shall confirm the partition so agreed upon by all the parties." In either case, whether the action is dismissed or partition and/or accounting is decreed, the order is a final one and may be appealed by any party aggrieved thereby.

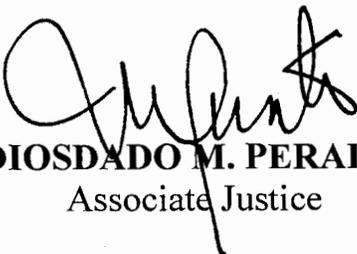
In this regard, the Baguio RTC shirked from its duty when it deferred the trial to await a request order from the intestate court regarding the possible distribution. In fact, it has not yet made a definite ruling on the existence of co-ownership. There was no declaration of entitlement to the desired partition either because a co-ownership exists or a partition is not legally prohibited. As this Court is not a trier of facts, it is for the trial court to proceed and determine once and for all if there is co-ownership and to partition the subject properties if there is no legal prohibition. It is also best for the Baguio RTC to settle whether the respondents are claiming ownership over the properties by virtue of their title adverse to that of their late father and his estate and not by any right of inheritance.

**WHEREFORE**, the petition for review on *certiorari* filed by petitioner Teresa R. Ignacio is hereby **DENIED**. The Decision and Resolution, dated March 27, 2014 and June 27, 2014, respectively, of the Court of Appeals in CA-G.R. SP No. 127151 are hereby **AFFIRMED with MODIFICATION**, such that the Regional Trial Court of Baguio City, Branch 3 is **DIRECTED to RESUME** trial on the merits in Special Civil Action Nos. 5055-R, 5056-R, and 5057-R to determine the ownership of the subject properties and to partition as co-owners, if proper.

<sup>40</sup> *Spouses Villafria v. Plazo*, G.R. No. 187524, August 5, 2015, 765 SCRA 227, 250.

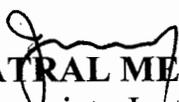
<sup>41</sup> *Supra* note 39, at 790.

**SO ORDERED.**

  
**DIOSDADO M. PERALTA**  
 Associate Justice

**WE CONCUR:**

  
**ANTONIO T. CARPIO**  
 Associate Justice  
 Chairperson

  
**JOSE CATRAL MENDOZA**  
 Associate Justice

*I certify that V. Leonen left his vote concurring with this pronouncement.*  
**MARVIC M.V.F. LEONEN**  
 Associate Justice 

  
**SAMUEL R. MARTIRES**  
 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.



**MARIA LOURDES P. A. SERENO**  
Chief Justice