

Title: Heirs of Sotero A. Punongbayan vs. St. Peter's College, Inc.

Facts:

1. **Original Dispute:** Special Proceeding No. 1053 was initiated for the intestate estate of the deceased Escolastica Punongbayan Paguio. Sotero Punongbayan, co-administrator of the estate, filed a Manifestation/Motion to levy P40,000,000.00 deposited in Security Bank under St. Peter's College's account, claiming the funds as the Estate's rental payments.
2. **St. Peter's Response:** St. Peter's College, represented by Carmelita Punongbayan, filed a comment contesting the service of the motion and denying the lease agreement.
3. **RTC Orders:**
 - **May 23, 2001:** RTC froze the Security Bank account, finding prima facie evidence that the funds belonged to the Estate.
 - **Complaint in Intervention:** St. Peter's filed for intervention, which was denied on September 27, 2001.
 - **February 4, 2004:** RTC ordered P66,000,000.00 of the funds to be held on joint accounts and non-withdrawable until ownership determination.
4. **Subsequent Actions:**
 - **May 30, 2013:** St. Peter's filed a motion to lift the attachment order, arguing lack of jurisdiction and due process, which was denied in the July 3, 2013 Order.
 - **Petitions for Certiorari:** St. Peter's elevates the case to the Court of Appeals claiming RTC acted without jurisdiction.
5. **Court of Appeals Ruling:** On August 31, 2017, CA nullified RTC orders, stating RTC overstepped by ruling on ownership and violating due process.
6. **Supreme Court Review:** Heirs of Sotero filed a petition arguing the CA's jurisdiction, finality of the 2001 Order, and St. Peter's lack of personality in intestate proceedings.

Issues:

1. **Form and Substance Defects:** Whether the Petition for Certiorari was fatally defective for lack of certified true copies of the RTC orders and proof of authority for the filing.
2. **Legal Personality:** Whether St. Peter's College had the standing to file a petition at the Court of Appeals.
3. **RTC Jurisdiction:** Whether the RTC exceeded its jurisdiction by ruling on the ownership of the funds.
4. **Estoppel by Laches:** Whether St. Peter's inaction for over ten years barred it from asserting its rights.

Court's Decision:

1. **Form and Substance:** SC agreed with CA that the petition was compliant with Rule 65 and Rule 46 requirements since the attached documents were certified true copies.
2. **Legal Personality:** The SC affirmed St. Peter's standing as it had a substantial interest in the funds attached by the RTC, thus having a legal personality to challenge RTC orders.
3. **RTC Jurisdiction:** SC concurred with CA that RTC only had provisional authority to rule on estate inventory but overstepped by making a conclusive ruling on ownership. The role of probate courts is special and limited jurisdictionally.
4. **Estoppel by Laches:** SC ruled St. Peter's was not barred by laches as the interlocutory nature of previous orders indicated ongoing litigation and did not constitute a conclusive inaction period.

Doctrine:

- **Special and Limited Jurisdiction of Probate Courts:** Intestate courts cannot adjudicate ownership of properties claimed to belong to an estate when held adversely by third parties but only include them provisionally in the inventory.
- **Interlocutory Orders:** Non-final and subject to further proceedings; and due process must be followed in motions affecting third parties' rights.

Class Notes:

- **Probate Jurisdiction:** Limited scope to estate settlement. Ownership claims by third parties must be resolved in separate actions, not in probate proceedings (Aranas v. Mercado).
- **Certiorari Requirements:** Petitions must include certified true copies of challenged orders (Rule 65, Sec. 1 in relation to Rule 46, Sec. 3).
- **Due Process in Motion Hearings:** Written motions affecting adverse parties must be served and set for hearing per Rules of Court.

Historical Background:

This case fits within the broader context of probate litigation rules in the Philippines, highlighting the limits of probate courts in addressing disputes on the ownership of properties involving third parties not directly related to the intestate proceedings. This underscores the delineation of jurisdiction between probate roles and that of general jurisdiction courts in property disputes.