

****Title:****

Sps. Estonina vs. Court of Appeals, and Spouses Atayan, Heirs of Garcia, et al.

****Facts:****

1. Santiago Garcia owned Lot C (273 sq. meters) covered by TCT No. T-19175 in Sta. Cruz, Laguna.
2. He died on October 2, 1967.
3. On March 10, 1973, Trinidad Estonina obtained a writ of preliminary attachment against Consuelo Garcia (Santiago's widow) in Civil Case No. 88430, leading to an encumbrance on TCT No. T-19175.
4. TCT No. T-19175 was canceled following a sale to Anselmo Balasoto, issuing TCT No. 77215 for the remaining 213 sq. meters.
5. On June 27, 1977, TCT No. 77215 was canceled for another sale to Ofelia Garcia, issuing TCT No. 82229 in her name.
6. Santiago Garcia's heirs executed deeds of sale transferring their shares to Spouses Celso Atayan and Nilda Hicban.
7. Trinidad Estonina obtained a favorable decision in Civil Case No. 88430, leading to an execution sale on July 20, 1979, where she was the highest bidder.
8. The Intermediate Appellate Court (now Court of Appeals) ruled in favor of Trinidad Estonina, canceling TCT No. T-82229 and issuing TCT No. T-99961 in her favor.
9. Spouses Atayan filed a complaint on July 25, 1985, for annulment of the sheriff's sale, the transfer certificate, and claiming their ownership shares.
10. The RTC dismissed the complaint, finding the property to be conjugal, thus only 55% attributable to Consuelo Garcia could be attached and sold.
11. The Court of Appeals reversed the RTC, declaring the entire property as Santiago's exclusive property, thus only Consuelo's one-tenth (1/10) share could be attached.

****Issues:****

1. Whether the property was conjugal or the exclusive property of Santiago Garcia.
2. Whether the Spouses Atayan had a valid cause of action against Spouses Estonina.
3. Whether the Spouses Estonina had proper claim and title to the entire property.
4. Whether the Spouses Atayan's action was barred by laches.

****Court's Decision:****

1. ****Exclusive Property of Santiago Garcia:****
 - The Court of Appeals found that Santiago Garcia inherited the property, supported by testimonial evidence. The Supreme Court concurred, noting lack of evidence that it was

acquired during Santiago's marriage to Consuelo.

- **Doctrine:** Under Article 160 of the Civil Code, presumption of conjugal property applies only with proof of acquisition during the marriage.

2. **Spouses Atayan's Cause of Action:**

- The Supreme Court upheld the propriety of the independent action by the Spouses Atayan, who were not parties to the original case (Civil Case No. 88430).

- **Doctrine:** A third-party claimant's right to an independent action under Section 17, Rule 39 of the Rules of Court.

3. **Spouses Estonina's Title Not Valid for Entire Property:**

- The execution sale overstepped, validly attaching only Consuelo's one-tenth share. The attachment and sale by the Sheriff of the remaining property were invalid.

- **Doctrine:** Execution extends only to properties clearly belonging to the judgment debtor.

4. **Laches:**

- Action by Spouses Atayan immediately following the appellate court's decision refuting Estonina's title was appropriate; six-year delay attributed to non-party status in original case.

- **Doctrine:** Laches was not applicable due to timing post-final decision and non-party status.

Doctrine:

- **Presumption of Conjugal Property:** Requires proof of acquisition during marriage as per Article 160 of the Civil Code.

- **Third-Party Claim:** Right to file an independent action if property levied does not belong to the judgment debtor (Sec 17, Rule 39).

- **Scope of Execution:** Judgment enforcement extends only to debtor's properties.

Class Notes:

- **Article 160, Civil Code:** Conjugal presumption needs acquisition proof during marriage.

- **Sec 17, Rule 39, Rules of Court:** Third-party can file independent action for wrongful seizure.

- **Property in Execution:** Only debtor-owned properties subject to levy.

Historical Background:

- The dispute reflects the complex issues of property succession and marital property rights within Philippine law, emphasizing proper documentation and legal proceedings in inheritance cases. The ruling reinforces established legal doctrines about property ownership, third-party claims, and creditor-protected executions.