

Title: Ignacio v. Reyes (2017)

Facts:

- On July 11, 1967, Angel Reyes and Oliva R. Arevalo filed a Petition for Letters of Administration for the estate of their father, Florencio Reyes Sr. in the then Court of First Instance of Rizal.
- The surviving heirs included Oliva, Francisca Vda. de Justiniani, Angel, Amparo R. Avecilla, Ramon Reyes, Teresa R. Ignacio, Rosario R. Du, Jose Reyes, Soledad Reyes, Carmelita R. Pastor, and Florencio Reyes Jr.
- The court appointed Oliva as the special administratrix on July 15, 1967, and later as regular administratrix on November 23, 1967.
- In 1982, Florencio Jr. replaced Oliva as the administratrix, and thereafter, Teresa became administratrix on August 8, 1994.
- On December 5, 1994, Teresa executed a lease over a 398 sq. meter parcel of land in Baguio City to various tenants. This was approved by the intestate court on July 15, 1996.
- Teresa also leased a 646 sq. meter property on Session Road to Famous Realty Corporation in 1996 and Loakan Road properties to ATC Wonderland, Inc. and other lessees, without the other heirs' consent.
- On September 25, 2001, respondents (Ramon, Florencio Jr., Rosario, Carmelita, and estates of other heirs) filed complaints for partition, annulment of lease contracts, accounting, and damages before the RTC of Baguio City, claiming co-ownership and misrepresentation by Teresa.
- Baguio RTC commissioned an audit revealing Teresa's accountability totaling P15,238,066.51.
- On January 19, 2004, respondents moved in the intestate court for distribution and partition of the Baguio properties, which was denied on April 13, 2004, asserting jurisdiction.
- Respondents' motion for reconsideration was also denied by the intestate court on June 14, 2012.
- Respondents filed a petition for certiorari before the CA, which granted the petition on March 27, 2014. The CA directed RTC of Baguio City to partition the properties.
- Teresa's motion for reconsideration was denied, leading to her petition for review on certiorari before the Supreme Court.

Issues:

1. Whether an appeal or another plain, speedy and adequate remedy was available to the respondents.

2. Whether the intestate court committed grave abuse of discretion by denying the partition and asserting jurisdiction.
3. Whether the distribution of the estate was premature under Section 1, Rule 90 of the Rules of Court.
4. Whether the CA erred in annulling the intestate court's orders and ordering RTC Baguio City to partition the properties.

Court's Decision:

1. The SC held that the general rule on limited jurisdiction of the intestate court applies. The intestate court cannot finally adjudicate ownership disputes between the estate and outside parties.
2. The SC found the denial orders of the intestate court to be interlocutory, thus not final on the rights of the co-owners.
3. The SC agreed with CA that the RTC of Baguio City should determine the co-ownership and partition of the said properties but left the issue of accounting and damages to be resolved by the intestate court.
4. Hence, the SC ordered the RTC of Baguio City to resume trial on merits to determine ownership and partition.

Doctrine:

- Probate or intestate courts cannot adjudicate title to properties claimed by outside parties except provisionally.
- Determination of co-ownership is necessary before partition (Rule 69, Rules of Court).
- Limited jurisdiction of intestate courts only pertains to probate matters and estate settlements, not final adjudication of property ownership in conflicts with third parties.

Class Notes:

- Co-ownership: Recognized if multiple parties hold a title, with interests subject to determination in appropriate ordinary action if disputed.
- Rule 69, Rules of Court: Legal basis for partition actions requires an initial determination of co-ownership.
- Limited jurisdiction: Intestate/probate courts handle estates' administration but do not conclusively resolve ownership issues involving third parties.
- Section 1, Rule 90, Rules of Court: No distribution until debts, expenses, and taxes are settled unless bonded distribution is authorized.

Historical Background:

This case highlights the procedural complexities in handling estate settlements in the Philippines, particularly those with fragmented ownership claims and intra-family disputes. The case further illustrates the distinctions between special proceedings in probate and ordinary actions for property disputes, emphasizing the limitations and specific roles of intestate courts in the judicial system.