

SPOUSES FLORENTINO ZARAGOZA AND ERLINDA ENRIQUEZ-ZARAGOZA, PETITIONERS, VS. THE HONORABLE COURT OF APPEALS, ALBERTA ZARAGOZA MORGAN, RESPONDENTS.

G.R. No. 106401. September 29, 2000

Ponente: QUISUMBING, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-106401/>

QUISUMBING, J.:

Before the Court is a petition for review on certiorari, which seeks (1) the reversal of the decision[1] of the Court of Appeals promulgated on March 27, 1992 in CA - G.R. CV No. 12587, which affirmed the decision[2] of the Regional Trial Court in Civil Case No. 14178, except the dismissal of private respondent's claim over lot 943; (2) the dismissal of the complaint filed by private respondent in the Regional Trial Court of Iloilo; and (3) the declaration of the deed of sale executed by Flavio Zaragoza covering Lot 943 as valid.

The facts of the case as found by the Court of Appeals and on record are as follows:

Flavio Zaragoza Cano was the registered owner of certain parcels of land situated at the Municipalities of Cabatuan, New Lucena and Sta. Barbara, Province of Iloilo. He had four children: Gloria, Zacariaz, Florentino and Alberta, all surnamed Zaragoza. On December 9, 1964, he died without a will and was survived by his four children.

On December 28, 1981, private respondent Alberta Zaragoza-Morgan filed a complaint with the Court of First Instance of Iloilo against Spouses Florentino and Erlinda, herein petitioners, for delivery of her inheritance share, consisting of Lots 943 and 871, and for payment of damages. She claims that she is a natural born Filipino citizen and the youngest child of the late Flavio. She further alleged that her father, in his lifetime, partitioned the aforesaid properties among his four children. The shares of her brothers and sister were given to them in advance by way of deed of sale, but without valid consideration, while her share, which consists of lots no. 871 and 943, was not conveyed by way of deed of sale then. She averred that because of her marriage, she became an American citizen and was prohibited to acquire lands in the Philippines except by hereditary succession. For this reason, no formal deed of conveyance was executed in her favor covering these lots during her father's lifetime.

Petitioners, in their Answer, admitted their affinity with private respondent and the allegations on the properties of their father. They, however, denied knowledge of an alleged distribution by way of deeds of sale to them by their father. They said that lot 871 is still registered in their father's name, while lot 943 was sold by him to them for a valuable consideration. They denied knowledge of the alleged intention of their father to convey the cited lots to Alberta, much more, the reason for his failure to do so because she became an American citizen. They denied that there was partitioning of the estate of their father during his lifetime.

On November 23, 1983, petitioners filed a Motion to Dismiss, on the ground that the complaint did not state a cause of action and it failed to implead indispensable parties. The resolution of said Motion was deferred by the lower court until the case was tried on the merits.

On October 7, 1986, the Regional Trial Court of Iloilo promulgated its decision, the decretal portion of which reads:

WHEREFORE, in view of the above findings, judgment is hereby rendered, adjudicating Lot 871 in the name of Flavio Zaragoza Cano to plaintiff Alberta Zaragoza-Morgan as appertaining her share in his estate and ordering defendants to vacate its premises and deliver immediately the portion occupied by them to herein plaintiff. Plaintiff's claim against defendants over Lot 943 is dismissed as well as claims for damages interposed against each other.[3]

In the above decision, the RTC found that Flavio partitioned his properties during his lifetime among his three children by deeds of sales; that the conveyance of Lot 943 to petitioners was part of his plan to distribute his properties among his children during his lifetime; and that he intended Lot 871 to be the share of private respondent.[4]

Not satisfied with the above decision, both parties interposed an appeal in the Court of Appeals docketed as CA-GR CV No. 12587.

On March 27, 1992, respondent court rendered the assailed decision, the decretal portion of which reads:

WHEREFORE, WE reverse the decision appealed from, insofar as defendant-appellants, spouses Florentino Zaragoza and Erlinda E. Zaragoza, were adjudged owner of Lot 943. In all other respects, the decision appealed from is hereby AFFIRMED.[5]

The appellate court gave weight to the testimonial and documentary evidence presented by private respondent to support its finding that Lots 871 and 943 were inheritance share of private respondent. Specifically, it noted the admission by petitioner in his letter in 1981 to private respondent's counsel, that their father had given them their inheritance.[6] Further, public respondent found that the alleged sale of lot 943 in favor of petitioner Florentino was fictitious and void. The signature of Don Flavio in the said document was markedly different from his other signatures appearing in other documents he signed from January to February 1957.[7] The Motion for Reconsideration was denied in a Resolution[8] dated June 26, 1992.

Hence, this petition for review on certiorari,[9] with a supplemental petition, raising the following assigned errors:

- THE COURT OF APPEALS ERRED IN HOLDING THAT LOTS 871 AND 943 ARE THE INHERITANCE SHARE OF THE PRIVATE RESPONDENT NOTWITHSTANDING THE FACT THAT THE DECEDENT FLAVIO ZARAGOZA HAS NOT EXECUTED ANY WILL NOR ANY DOCUMENT GIVING THESE TWO PROPERTIES IN FAVOR OF PRIVATE RESPONDENT;
- THE COURT OF APPEALS ERRED IN ADMITTING AND GIVING WEIGHT TO THE TESTIMONIES OF PRIVATE RESPONDENT'S WITNESSES TO THE EFFECT THAT LOTS 871 AND 943 ARE THE INHERITANCE SHARE OF PRIVATE RESPONDENT AS TOLD TO THEM BY FLAVIO ZARAGOZA DESPITE THE FACT THAT THESE TESTIMONIES ARE HEARSAY;
- THE COURT OF APPEALS ERRED IN CONCLUDING THAT THE DEED OF SALE EXECUTED BY FLAVIO ZARAGOZA IN FAVOR OF PETITIONER OVER LOT 943 IS A FORGERY, NOTWITHSTANDING THE FACT THAT:
- THE THEORY THAT THE AFORESAID DEED OF SALE WAS A FORGERY WAS NEVER RAISED IN THE COMPLAINT NOR ESTABLISHED BY EVIDENCE.
- THE SAID DEED OF SALE WAS IN A PUBLIC INSTRUMENT.
- NO WITNESSES WAS EVER PRESENTED TO ASSAIL THE GENUINENESS OF THE SIGNATURE OF FLAVIO ZARAGOZA.

- THE SAID DEED OF SALE WAS EVEN WITNESSED BY HIS OTHER DAUGHTER GLORIA ZARAGOZA NUÑEZ AND NOTARIZED BY NOTARY PUBLIC ATTY. EDURESE.
- RESPONDENT COURT OF APPEALS ERRED IN MODIFYING THE DECISION OF THE LOWER COURT WITH RESPECT TO LOT 943 WHEN THE LATTER SUSTAINED THE GENUINENESS OF THE SIGNATURE OF PETITIONER'S FATHER FOUND IN EXH. I.
- THE COURT OF APPEALS ERRED IN APPLYING THE DOCTRINE OF ESTOPPEL, IGNORING THE FACT THAT IT IS THE LAW ON INTESTATE SUCCESSION, AND THE CORRESPONDING RULES OF COURT ON THE SETTLEMENT OF THE ESTATE THAT IS APPLICABLE ON THIS CASE.[10]

In their Supplemental Petition for Review dated October 29, 1992, petitioners additionally raised:

- THE HONORABLE COURT OF APPEALS ERRED IN NOT DISMISSING THE COMPLAINT FILED BEFORE THE TRIAL COURT FOR FAILURE TO STATE A CAUSE OF ACTION,
- ALTERNATIVELY, THE COURT ERRED IN NOT CONSIDERING THAT LOTS TRANSFERRED INTER VIVOS TO THE OTHER HEIRS SHOULD HAVE BEEN COLLATED TO THE MASS OF THE ESTATE OF THE DECEASED FLAVIO ZARAGOZA (y) CANO.
- THE HONORABLE COURT OF APPEALS ERRED IN AFFIRMING AS LAWFUL AND VALID ALL THE DISPOSITIONS MADE BY THE DECEASED FLAVIO ZARAGOZA (y) CANO EXCEPT LOT # 943 DESPITE UTTER LACK OF EVIDENCE TO SUPPORT ITS FINDING THAT THE SIGNATURE OF THE LATE FLAVIO ZARAGOZA (y) CANO IN EXH. "M-11-A" APPEARING IN THE DEED OF SALE DATED FEBRUARY 5, 1957 (EXH. "1", FLORENTINO) WAS A FORGERY.
- THE COURT ERRED IN NOT CONSIDERING THAT TRANSFER CERTIFICATE OF TITLE NO. T-35946 (EXHIBIT 2) COVERING LOT 943 IN FAVOR OF THE PETITIONER CONCLUSIVELY EVIDENCES THE LATTER'S OWNERSHIP THEREOF.[11]

Essentially, we are asked to resolve two issues: (1) whether the partition inter vivos by Flavio Zaragoza Cano of his properties, which include Lots 871 and 943, is valid; and (2) whether the validity of the Deed of Sale and consequently, the Transfer Certificate of Title over Lot 943 registered in the name of the petitioners, can be a valid subject matter of the entire proceeding for the delivery of inheritance share.

On the first issue. It is the main contention of the petitioner that the adjudication of Lots 943 and 871 in favor of private respondent, as her inheritance share, has no legal basis since there is no will nor any document that will support the transfer.

Both the trial court and the public respondent found that during the lifetime of Flavio, he already partitioned and distributed his properties among his three children, excepting private respondent, through deeds of sale. A deed of sale was not executed in favor of private respondent because she had become an American citizen and the Constitution prohibited a sale in her favor. Petitioner admitted Lots 871 and 943 were inheritance shares of the private respondent. These are factual determinations of the Court of Appeals, based on documentary and testimonial evidence. As a rule, we are bound by findings of facts of the Court of Appeals.[12] Was the partition done during the lifetime of Flavio Zaragoza Cano valid? We think so. It is basic in the law of succession that a partition inter vivos may be done for as long as legitimes are not prejudiced. Art. 1080 of the Civil Code is clear on this.[13] The legitime of compulsory heirs is determined after collation, as provided for in Article 1061:

Every compulsory heir, who succeeds with other compulsory heirs, must bring into the mass of the estate any property or right which he may have received from the decedent, during the lifetime of the latter, by way of donation, or any other gratuitous title in order that it may be computed in the determination of the legitime of

each heir, and in the account of the partition.

Unfortunately, collation can not be done in this case where the original petition for delivery of inheritance share only impleaded one of the other compulsory heirs. The petition must therefore be dismissed without prejudice to the institution of a new proceeding where all the indispensable parties are present for the rightful determination of their respective legitime and if the legitimes were prejudiced by the partitioning inter vivos.

We now come to the second issue. Private respondent, in submitting her petition for the delivery of inheritance share, was in effect questioning the validity of the deed of sale covering Lot 943 in favor of petitioner and consequently, the Transfer Certificate of Title issued in the latter's name. Although the trial court, as an obiter, made a finding of validity of the conveyance of Lot 943 in favor of petitioners, since according to it, private respondent did not question the genuineness of the signature of the deceased, nevertheless, when the case was elevated to the Court of Appeals, the latter declared the sale to be fictitious because of finding of marked differences in the signature of Flavio in the Deed of Sale vis-à-vis signatures found in earlier documents. Could this be done? The petition is a collateral attack. It is not allowed by Sec. 48 of the Presidential Decree No. 1529, otherwise known as the Property Registration Decree, which provides:

Sec. 48. Certificate not subject to collateral attack. - A certificate of title shall not be subject to collateral attack. It can not be altered, modified, or cancelled except in a direct proceeding in accordance with law.

We have reiterated this rule in the case of *Halili vs. Court of Industrial Relations*,^[14] citing the earlier cases of *Constantino vs. Espiritu*^[15] and *Co vs. Court of Appeals*.^[16] In *Halili*, we held that a certificate of title accumulates in one document a precise and correct statement of the exact status of the fee held by its owner. The certificate, in the absence of fraud, is the evidence of title and shows exactly the real interest of its owner. The title once registered, with very few exceptions, should not thereafter be impugned, altered, changed, modified, enlarged or diminished, except in some direct proceeding permitted by law. Otherwise, all security in registered titles would be lost. In *Constantino*, the Court decided that the certificate, in the absence of fraud, is the evidence of title and shows exactly the real interest of its owner. The title once registered, with very few exceptions, should not thereafter be impugned, altered, changed, modified, enlarged or diminished, except in some direct proceeding permitted by law. Otherwise all security in registered titles would be lost. And in *Co*, we stated that a Torrens title cannot be collaterally attacked. The issue on the validity of title, i.e., whether or not it was fraudulently issued, can only be raised in an action expressly instituted for that purpose.

ACCORDINGLY, judgment is hereby rendered GRANTING the instant petition for review. The decision of the Court of Appeals dated March 27, 1992 in CA-G.R. CV No. 12587, entitled *Alberta Zaragoza-Morgan vs. Spouses Florentino Zaragoza and Erlinda Enriquez-Zaragoza* is VACATED and SET ASIDE. The complaint for delivery of inheritance share in the Regional Trial Court, for failure to implead indispensable parties, is also DISMISSED without prejudice to the institution of the proper proceedings.

No pronouncement as to costs.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Buena, and De Leon, Jr., JJ., concur.

[1] CA Records, pp. 49-60.

[2] Id. at 29.

[3] Rollo, p. 116.

[4] Id. at 115.

[5] CA Records, p. 59.

[6] Id. at 58-59.

[7] Ibid.

[8] Id. at 107.

[9] Rollo, pp. 16-64.

[10] Id. at 17-18.

[11] Id. at 133.

[12] Atillo III v. Court of Appeals, 266 SCRA 596, 605-606 (1997).

[13] NCC, Art. 1080: Should a person make a partition of his estate by an act inter vivos, or by will, such partition shall be respected, insofar as it does not prejudice the legitime of the compulsory heirs.

[14] 257 SCRA 174, 184 (1996).

[15] 45 SCRA 557, 562 (1972).

[16] 196 SCRA 705, 711 (1991).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.