HEIRS OF JOSE G. SANTIAGO, NAMELY, JULIA G. SANTIAGO, ESTER G. SANTIAGO, PRISCILA G. SANTIAGO, SUSAN G. SANTIAGO, JOSE G. SANTIAGO, JR., ERLINDA G. SANTIAGO, CARMENCITA G. SANTI...

G.R. No. 161238. July 13, 2009

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

This is a petition for review on certiorari[1] assailing the Decision[2] promulgated on 14 November 2003 of the Court of Appeals (appellate court) in CA-G.R. CV No. 66048. The appellate court affirmed in toto the Decision[3] dated 30 September 1999 of Branch 11 of the Regional Trial Court of Malolos, Bulacan (trial court) in Civil Case No. 126-M-96 which upheld the validity of the sale by Juan Santiago in favor of Mark Vincent L. Ong of 10,926 square meters out of 31,853 square meters of co-owned property in the case filed by Juan Santiago's nephews and nieces (petitioners). Petitioners are the heirs of Jose G. Santiago, and Jose G. Santiago is Juan Santiago's brother and co-owner of the subject property. The trial court also upheld the validity of the Transfer Certificate of Title (TCT) issued in favor of Mark Vincent L. Ong.

The Facts

The trial court narrated the facts as follows:

> This is an action for annulment of titles, injunction, damages and restraining order.
>
> Plaintiffs, the heirs of Jose G. Santiago, allege in their Complaint that their father and his brother Juan G. Santiago, both deceased, were registered co-owners of a parcel of land containing an area of 31,853 square meters located at Catmon, Sta. Maria, Bulacan, covered by T.C.T. No. T-117343(M) (Exh. "A"). That on May 26, 1992, Juan Santiago, while confined at the Chinese General Hospital, Intensive Care Unit, allegedly sold a portion of the above lot, measuring 10,926 square meters, to a two (2) year old child Mark Vincent Ong with the participation of defendant Aurea Santiago as evidenced by a Deed of Sale over a Portion of Land, dated May 26, 1992. And in support of the foregoing sale, an alleged affidavit of [non-]tenancy was executed by Juan G. Santiago. Both signatures of the latter in the said two (2) documents, according to plaintiffs, were spurious, forged and falsified by defendants who stood to benefit from it. Defendants Vicente Ong and Mark Vincent Ong, father and son respectively, were able to secure a title over the disputed lot by virtue of the falsified deed of sale and a supposed Partition Agreement dated October 15, 1994 executed by Jose Santiago and Juan Santiago who were long deceased before said date, having died on May 25, 1990 and September 21, 1992, respectively. Later on, Aurea Santiago allegedly managed to obtain a title covering the remaining 20,927 square meters, Title No. T-213216(M) issued on November 18, 1994 in the names of both Jose and Juan Santiago diminishing thereby the share of herein plaintiffs in the property.
>
> Defendant Aurea Santiago in her Answer, denied inter-alia, having committed any falsification of document relative to the lot in question nor dealing or transacting with the other defendants. She claimed that her husband, Juan Santiago, during his lifetime, merely asked her to sign her conformity to a document selling his

share in the subject parcel of lot which she did without even reading the document. That she received no amount of money from any of the defendants from the sale of the said property, which in reality was a capital property of her husband excluded from their conjugal partnership. With the aforesaid sale, she came to lose, as a consequence, all claims or interests over the remainder of the lot belonging to the co-ownership.

Defendants Ong in their Answer, admitted having purchased the questioned lot, with Vicente Ong explaining that the purchase was for valuable consideration in favor of her [sic] son Mark Vincent Ong, done after receiving legal advise [sic] on the matter, denying at the same time any participation in the preparation and execution of the deed of partition of the property.

Plaintiff, on the stand, reiterated the allegations in the complaint with the additional information that their father, Jose, died on May 25, 1990 and their uncle, Juan, expired on September 21, 1992.

Isagani Garcia, records officer of the Register of Deeds of Meycauayan, Bulacan testified on the matter of recording the documents involved in the case.

Atty. Jeremias Vitan, the notary public who appeared to have notarized the deed of sale (Exh. "B") and the affidavit of non-tenancy (Exh. "C") denied his notarization alleging that his signature in both documents were forgeries.

Defendant Aurea Santiago, in her testimony, merely reiterated her allegations in her Answer.

So did Vicente Ong, explaining in addition the details on how he came to buy the property and the corresponding documentation thereof, which according to him, was all handled by one Atty. Santiago and a certain Lita, after the death of the latter.

Plaintiffs, as the evidence shows, are after the annulment of the following documents based on fraud, to wit:

- Deed of Sale dated May 26, 1992 executed by the deceased Juan Santiago in favor of Mark Vincent L. Ong involving the disputed 10,926 square meters of the community property covered by T.C.T. No. T-117343(M) (Exh. "B");

- T.C.T. No. 213125(M) issued in the name of Mark Vincent L. Ong (Exh. "E");

- Subdivision Plan signed by Mark Vincent Ong and the brothers Jose and Juan Santiago (Exh. "F");

- Transfer Certificate of Title No. T-213216(M) issued in the names of Juan G. Santiago and Jose Santiago covering an area of 20,927 square meters or the remaining area of the community property (Exh. "H");

- Consolidation and Partition Agreement dated August 17, 1994 signed by Juan and Jose Santiago (Exh. "N").[4]

The Trial Court's Ruling

In its Decision dated 30 September 1999, the trial court partly denied the petitioners' claims. The trial court declared that Juan Santiago was well within his rights as a co-owner when he sold 10,926 square meters of the co-owned lot. Petitioners have no reason to complain or impugn the sale. Despite the allegations of forgery, the Ongs have in their favor the presumption of good faith in buying a portion of the co-owned lot. Vicente Ong's testimony that the late Juan Santiago's representatives carried out the documentation and registration of the property remained uncontradicted. The trial court decreed that TCT No. 213216(M) issued in the names of Juan and Jose Santiago has no legal basis. Petitioners are thus entitled to 15,000 square meters, more or less, or one-half of the 31,853 square meters of the subject property.

The dispositive portion of the trial court's decision reads:

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WHEREFORE, judgment is hereby rendered as follows:

- Declaring the Deed of Sale dated May 26, 1992 executed by the deceased Juan Santiago in favor of Mark Vincent L. Ong involving 10,926 square meters of the community property valid;

- Declaring T.C.T. No. 213125(M) issued in the name of Mark Vincent L. Ong valid;

- Declaring, as null and void, T.C.T. No. T-213216(M) issued in the name of Juan Santiago and Jose Santiago covering an area of 20,927 square meters of the disputed property;

- Directing the parties to sit down and effectuate a partition of the property in question in accordance with this decision; and

- Ordering the Register of Deeds of Meycauayan, Bulacan to cancel T.C.T. No. 213216(M) and issue in lieu thereof a new Transfer Certificate of Title in the name of Juan Santiago and Jose Santiago specifying their respective share in accordance with this decision.

No pronouncement as to cost

SO ORDERED.[5]

The Ruling of the Appellate Court

In its Decision promulgated on 14 November 2003, the appellate court affirmed the decision of the trial court. The appellate court declared that Juan Santiago's sale of an undivided portion consisting of 10,926 square meters of co-owned property remains valid. Petitioners are not the real parties in interest possessing the character of a contracting party, or of heirs or assigns of the vendor. Only the estate of Juan Santiago, to the exclusion of petitioners, stands to be benefited or injured by the decision in the present case. There is a lack of convincing and credible proof to support the allegations of fraud with respect to the Absolute Deed of Sale and the Affidavit of Non-Tenancy. There is also an absence of satisfactory evidence to dispute the apparent irregularity on the signatures of Juan and Jose Santiago on the subdivision, consolidation and partition agreement.

The Issues

Petitioners insist that they are the real parties in interest to bring the instant suit and that they have a cause of action against the respondents. Furthermore, petitioners assert that the Deed of Absolute Sale is void. Finally, the partition of the remaining portion of the lot cannot be done in accordance with the trial court's decision.

The Ruling of the Court

The petition has no merit.

We see no reason to overturn the findings of fact of the trial and appellate courts. Therefore, we do not divert from their rulings.

Petitioners are not real parties in interest and therefore have no cause of action in bringing the present case. A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit.[6] A cause of action is the act or omission by which a party violates a right of another.[7] In the present case, there is no dispute that Juan Santiago owned half of the subject lot while the other half belonged to his brother Jose. Juan Santiago merely exercised his right when he sold a portion of his undivided half to Mark Vincent L. Ong. Petitioners question Juan's transaction even though petitioners are neither parties to the contract nor heirs or assigns of Juan Santiago.[8] Juan Santiago left a probated will leaving all his properties to his wife Aurea, to the exclusion of petitioners. As heirs of Jose Santiago, co-owner of the subject property, petitioners may only question the sale if their right of preemption under the Civil Code of the Philippines[9] was disregarded,

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and they wish to exercise such right. However, petitioners do not seek to exercise the right of preemption. Thus, they are not real parties in interest in the present case.

We likewise affirm the lower courts' ruling on the validity of the Deed of Sale, even though petitioners have no personality to question the same before this Court. Apart from their allegations, petitioners failed to prove that Juan Santiago was incapacitated to contract at the time of the execution of the Deed of Sale.

Finally, we affirm the lower courts' ruling that TCT No. 213216(M) issued in the names of Jose and Juan Santiago be nullified and a new one issued to reflect the shares in the remaining portions of the subject property. The estate of Juan Santiago can only claim 5,000 square meters, more or less, of the remaining 20,927 square meters of the subject property.

WHEREFORE, we DENY the petition. We AFFIRM the Decision promulgated on 14 November 2003 of the Court of Appeals in CA-G.R. CV No. 66048.

SO ORDERED.

Puno, C.J., (Chairperson), Corona, Leonardo-De Castro, and Bersamin, JJ., concur.

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[1] Under Rule 45 of the 1997 Rules of Civil Procedure.

[2] Rollo, pp. 81-94. Penned by Associate Justice Andres B. Reyes, Jr. with Associate Justices Buenaventura J. Guerrero and Regalado E. Maambong, concurring.

[3] Id. at 46-49. Penned by Judge Basilio B. Gabo, Jr.

[4] Id. at 46-48.

[5] Id. at 49.

[6] Section 2, Rule 3 of the 1997 Rules of Civil Procedure.

[7] Section 2, Rule 2 of the 1997 Rules of Civil Procedure.

[8] Article 1311 of the Civil Code reads as follows:

Contracts take affect only between the parties, their assigns and heirs, except in case where the rights and obligations arising from the contract are not transmissible by their nature, or by stipulation or by provision of law. The heir is not liable beyond the value of the property he received from the decedent.

If a contract should contain some stipulation in favor of a third person, he may demand its fulfillment provided he communicated his acceptance to the obligor before its revocation. A mere incidental benefit or interest of a person is not sufficient. The contracting parties must have clearly and deliberately conferred a favor upon a third person.

[9] Article 1623 of the Civil Codes provides:

The right of legal preemption or redemption shall not be exercised except within thirty days from the notice in writing by the prospective vendor, or by the vendor, as the case may be. The deed of sale shall not be recorded in the Registry of Property unless accompanied by an affidavit of the vendor that he has given written notice thereof to all possible redemptioners.

The right of redemption of co-owners excludes that of adjoining owners.

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