

LUPO ATIENZA, PETITIONER, VS. YOLANDA DE CASTRO, RESPONDENT.

G.R. NO. 169698. November 29, 2006

Ponente: GARCIA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-169698/>

GARCIA, J.:

Assailed and sought to be set aside in this petition for review on certiorari is the Decision[1] dated April 29, 2005 of the Court of Appeals (CA) in CA-G.R. CV No. 69797, as reiterated in its Resolution[2] of September 16, 2005, reversing an earlier decision of the Regional Trial Court (RTC) of Makati City, Branch 61, in an action for Judicial Partition of Real Property thereat commenced by the herein petitioner Lupo Atienza against respondent Yolanda de Castro.

The facts:

Sometime in 1983, petitioner Lupo Atienza, then the President and General Manager of Enrico Shipping Corporation and Eurasian Maritime Corporation, hired the services of respondent Yolanda U. De Castro as accountant for the two corporations.

In the course of time, the relationship between Lupo and Yolanda became intimate. Despite Lupo being a married man, he and Yolanda eventually lived together in consortium beginning the later part of 1983. Out of their union, two children were born. However, after the birth of their second child, their relationship turned sour until they parted ways.

On May 28, 1992, Lupo filed in the RTC of Makati City a complaint against Yolanda for the judicial partition between them of a parcel of land with improvements located in Bel-Air Subdivision, Makati City and covered by Transfer Certificate of Title No. 147828 of the Registry of Deeds of Makati City. In his complaint, docketed in said court as Civil Case No. 92-1423, Lupo alleged that the subject property was acquired during his union with Yolanda as common-law husband and wife, hence the property is co-owned by them.

Elaborating, Lupo averred in his complaint that the property in question was acquired by Yolanda sometime in 1987 using his exclusive funds and that the title thereto was transferred by the seller in Yolanda's name without his knowledge and consent. He did not interpose any objection thereto because at the time, their affair was still thriving. It was only after their separation and his receipt of information that Yolanda allowed her new live-in partner to live in the disputed property, when he demanded his share thereat as a co-owner.

In her answer, Yolanda denied Lupo's allegations. According to her, she acquired the same property for Two Million Six Hundred Thousand Pesos (P2,600,000.00) using her exclusive funds. She insisted having bought it thru her own savings and earnings as a businesswoman.

In a decision[3] dated December 11, 2000, the trial court rendered judgment for Lupo by declaring the contested property as owned in common by him and Yolanda and ordering its partition between the two in equal shares, thus:

WHEREFORE, judgment is hereby rendered declaring the property covered by Transfer Certificate of Title No. 147828 of the Registry of Deeds of Makati City to be owned in common by plaintiff LUPO ATIENZA and the defendant YOLANDA U. DE CASTRO share-and-share alike and ordering the partition of said property between them. Upon the finality of this Decision, the parties are hereby directed to submit for the confirmation of the Court a mutually agreed project of partition of said property or, in case the physical partition of said property is not feasible because of its nature, that either the same be assigned to one of the parties who shall pay the value corresponding to the share of the other or that the property to be sold and the proceeds thereof be divided equally between the parties after deducting the expenses incident to said sale.

The parties shall bear their own attorney's fees and expenses of litigation.

Costs against the defendant.

SO ORDERED.

From the decision of the trial court, Yolanda went on appeal to the CA in CA-G.R. CV No. 69797, therein arguing that the evidence on record preponderate that she purchased the disputed property in her own name with her own money. She maintained that the documents appertaining to her acquisition thereof are the best evidence to prove who actually bought it, and refuted the findings of the trial court, as well as Lupo's assertions casting doubt as to her financial capacity to acquire the disputed property.

As stated at the threshold hereof, the appellate court, in its decision[4] of April 29, 2005, reversed and set aside that of the trial court and adjudged the litigated property as exclusively owned by Yolanda, to wit:

WHEREFORE, the foregoing considered, the assailed decision is hereby REVERSED and SET ASIDE. The subject property is hereby declared to be exclusively owned by defendant-appellant Yolanda U. De Castro. No costs.

SO ORDERED.

In decreeing the disputed property as exclusively owned by Yolanda, the CA ruled that under the provisions of Article 148 of the Family Code vis-à-vis the evidence on record and attending circumstances, Yolanda's claim of sole ownership is meritorious, as it has been substantiated by competent evidence. To the CA, Lupo failed to overcome the burden of proving his allegation that the subject property was purchased by Yolanda thru his exclusive funds.

With his motion for reconsideration having been denied by the CA in its Resolution of September 16, 2005,[5] Lupo is now with this Court via the present recourse arguing that pursuant to Article 144[6] of the Civil Code, he was in no way burdened to prove that he contributed to the acquisition of the subject property because with or without the contribution by either partner, he is deemed a co-owner thereof, adding that under Article 484[7] of Civil Code, as long as the property was acquired by either or both of them during their extramarital union, such property would be legally owned by them in common and governed by the rules on co-ownership, which apply in default of contracts, or special provisions.

We DENY.

It is not disputed that the parties herein were not capacitated to marry each other because petitioner Lupo Atienza was validly married to another woman at the time of his cohabitation with the respondent. Their property regime, therefore, is governed by Article 148[8] of the Family Code, which applies to bigamous marriages, adulterous relationships, relationships in a state of concubinage, relationships where both man and woman are married to other persons, and multiple alliances of the same married man. Under this regime, ...only the properties acquired by both of the parties through their actual joint contribution of money, property, or industry shall be owned by

them in common in proportion to their respective contributions ...[9] Proof of actual contribution is required.[10]

As it is, the regime of limited co-ownership of property governing the union of parties who are not legally capacitated to marry each other, but who nonetheless live together as husband and wife, applies to properties acquired during said cohabitation in proportion to their respective contributions. Co-ownership will only be up to the extent of the proven actual contribution of money, property or industry. Absent proof of the extent thereof, their contributions and corresponding shares shall be presumed to be equal.[11]

Here, although the adulterous cohabitation of the parties commenced in 1983, or way before the effectivity of the Family Code on August 3, 1998, Article 148 thereof applies because this provision was intended precisely to fill up the hiatus in Article 144 of the Civil Code.[12] Before Article 148 of the Family Code was enacted, there was no provision governing property relations of couples living in a state of adultery or concubinage. Hence, even if the cohabitation or the acquisition of the property occurred before the Family Code took effect, Article 148 governs.[13]

The applicable law being settled, we now remind the petitioner that here, as in other civil cases, the burden of proof rests upon the party who, as determined by the pleadings or the nature of the case, asserts an affirmative issue. Contentions must be proved by competent evidence and reliance must be had on the strength of the party's own evidence and not upon the weakness of the opponent's defense. The petitioner as plaintiff below is not automatically entitled to the relief prayed for. The law gives the defendant some measure of protection as the plaintiff must still prove the allegations in the complaint. Favorable relief can be granted only after the court is convinced that the facts proven by the plaintiff warrant such relief.[14] Indeed, the party alleging a fact has the burden of proving it and a mere allegation is not evidence.[15]

It is the petitioner's posture that the respondent, having no financial capacity to acquire the property in question, merely manipulated the dollar bank accounts of his two (2) corporations to raise the amount needed therefor. Unfortunately for petitioner, his submissions are burdened by the fact that his claim to the property contradicts duly written instruments, i.e., the Contract to Sell dated March 24, 1987, the Deed of Assignment of Redemption dated March 27, 1987 and the Deed of Transfer dated April 27, 1987, all entered into by and between the respondent and the vendor of said property, to the exclusion of the petitioner. As aptly pointed out by the CA:

Contrary to the disquisition of the trial court, [Lupo] failed to overcome this burden. Perusing the records of the case, it is evident that the trial court committed errors of judgment in its findings of fact and appreciation of evidence with regard to the source of the funds used for the purchase of the disputed property and ultimately the rightful owner thereof. Factual findings of the trial court are indeed entitled to respect and shall not be disturbed, unless some facts or circumstances of weight and substance have been overlooked or misinterpreted that would otherwise materially affect the disposition of the case.

In making proof of his case, it is paramount that the best and most complete evidence be formally entered. Rather than presenting proof of his actual contribution to the purchase money used as consideration for the disputed property, [Lupo] diverted the burden imposed upon him to [Yolanda] by painting her as a shrewd and scheming woman without the capacity to purchase any property. Instead of proving his ownership, or the extent thereof, over the subject property, [Lupo] relegated his complaint to a mere attack on the financial capacity of [Yolanda]. He presented documents pertaining to the ins and outs of the dollar accounts of ENRICO and EURASIAN, which unfortunately failed to prove his actual contribution in the purchase of the said property. The fact that [Yolanda] had a limited access to the funds of the said corporations and had repeatedly withdrawn money from their bank accounts for their behalf do not prove that the money she used in buying the disputed property, or any property for that matter, came from said withdrawals.

As it is, the disquisition of the court a quo heavily rested on the apparent financial capacity of the parties. On

one side, there is [Lupo], a retired sea captain and the President and General Manager of two corporations and on the other is [Yolanda], a Certified Public Accountant. Surmising that [Lupo] is financially well heeled than [Yolanda], the court a quo concluded, sans evidence, that [Yolanda] had taken advantage of [Lupo]. Clearly, the court a quo is in error. (Words in brackets supplied.)

As we see it, petitioner's claim of co-ownership in the disputed property is without basis because not only did he fail to substantiate his alleged contribution in the purchase thereof but likewise the very trail of documents pertaining to its purchase as evidentiary proof redounds to the benefit of the respondent. In contrast, aside from his mere say so and voluminous records of bank accounts, which sadly find no relevance in this case, the petitioner failed to overcome his burden of proof. Allegations must be proven by sufficient evidence. Simply stated, he who alleges a fact has the burden of proving it; mere allegation is not evidence.

True, the mere issuance of a certificate of title in the name of any person does not foreclose the possibility that the real property covered thereby may be under co-ownership with persons not named in the certificate or that the registrant may only be a trustee or that other parties may have acquired interest subsequent to the issuance of the certificate of title. However, as already stated, petitioner's evidence in support of his claim is either insufficient or immaterial to warrant the trial court's finding that the disputed property falls under the purview of Article 148 of the Family Code. In contrast to petitioner's dismal failure to prove his cause, herein respondent was able to present preponderant evidence of her sole ownership. There can clearly be no co-ownership when, as here, the respondent sufficiently established that she derived the funds used to purchase the property from her earnings, not only as an accountant but also as a businesswoman engaged in foreign currency trading, money lending and jewelry retail. She presented her clientele and the promissory notes evincing substantial dealings with her clients. She also presented her bank account statements and bank transactions, which reflect that she had the financial capacity to pay the purchase price of the subject property.

All told, the Court finds and so holds that the CA committed no reversible error in rendering the herein challenged decision and resolution.

WHEREFORE, the instant petition is DENIED and the assailed issuances of the CA are AFFIRMED.

Costs against the petitioner.

SO ORDERED.

Puno, (Chairperson), Sandoval-Gutierrez, Corona, and Azcuna, JJ., concur.

[1] Penned by Associate Justice Josefina Guevarra-Salonga with Associate Justices Ruben T. Reyes (now Presiding Justice) and Fernanda Lampas-Peralta, concurring, Rollo, pp. 26-34.

[2] Id. at 36.

[3] Id. at 64-70.

[4] Supra note 1.

[5] Supra note 2.

[6] Art. 144 - When a man and a woman live together as husband and wife, but they are not married, or their marriage is void from the beginning, the property acquired by either or both of them through their work or industry or their wages and salaries shall be governed by the rules on co-ownership.

[7] Art. 484. There is co-ownership whenever the ownership of an undivided thing or right belongs to different persons.

In default of contracts, or of special provisions, co-ownership shall be governed by the provisions of this Title.

[8] Art. 148. In cases of cohabitation not falling under [Article 147], only the properties acquired by both of the parties through their actual joint contribution of money, property, or industry shall be owned by them in common in proportion to their respective contributions. In the absence of proof to the contrary, their contributions and corresponding shares are presumed to be equal. The same rule and presumption shall apply to joint deposits of money and evidences of credit. If one of the parties is validly married to another, his or her share in the co-ownership shall accrue to the absolute community or conjugal partnership existing in such valid marriage. If the party who acted in bad faith is not validly married to another, his or her share shall be forfeited in the manner provided in the last paragraph of the preceding Article.

Art. 147. When a man and a woman who are capacitated to marry each other live exclusively with each other as husband and wife without the benefit of marriage or under a void marriage, their wages and salaries shall be owned by them in equal shares and the property acquired by both of them through their work or industry shall be governed by the rules on co-ownership.

In the absence of proof to the contrary, properties acquired while they lived together shall be presumed to have been obtained by their joint efforts, work or industry, and shall be owned by them in equal shares. For purposes of this Article, a party who did not participate in the acquisition of the other party of any property shall be deemed to have contributed jointly in the acquisition thereof if the former's efforts consisted in the care and maintenance of the family and of the household.

Neither party can encumber or dispose by acts inter vivos of his or her share in the property acquired during cohabitation and owned in common, without the consent of the other, until after the termination of the cohabitation.

When only one of the parties to a void marriage is in good faith, the share of the party in bad faith in the co-ownership shall be forfeited in favor of their common children. In case of default or of waiver by any or all of the common children or their descendants, each vacant share shall belong to the respective surviving descendants. In the absence of descendants, such share shall belong to the innocent party. In all cases, the forfeiture shall take place upon termination of the cohabitation. The foregoing rules on forfeiture shall likewise apply even if both parties are in bad faith.

[9] Cariño v. Cariño, G.R. No. 132529, February 2, 2001, 351 SCRA 127, 135.

[10] Agapay v. Palang, 342 Phil. 302, 311-312 (1997).

[11] Family Code, Article 148; Adriano v. Court of Appeals, 385 Phil. 474, 484-485 (2000), citing Agapay v. Palang, supra note 10, citing Tolentino, I Civil Code Of The Philippines Commentaries and Jurisprudence, 500 (1999 edition); Tumlos v. Fernandez, G.R. No. 137650, April 12, 2000, 330 SCRA 718, 733-734.

[12] Jacinto Saguid v. Hon. Court of Appeals, The Regional Trial Court, Branch 94, Boac, Marinduque and Gina S. Rey, G.R. No. 150611, June 10, 2003, 403 SCRA 678.

[13] Tumlos v. Fernandez, supra, citing the Family Code, Article 256.

[14] Luxuria Homes, Inc. v. Court of Appeals, 361 Phil. 989, 1001 (1999), citing Pascua v. Florendo, 220 Phil. 588 (1985); Lim Tanhu v. Ramolete, G.R. No. L-40098, August 29, 1975, 66 SCRA 425.

[15] Id., citing P.T. Cerna Corporation v. Court of Appeals, G.R. No. 91622, April 6, 1993, 221 SCRA 19.

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.