

EDUARDO G. AGTARAP, PETITIONER, VS. SEBASTIAN AGTARAP, JOSEPH AGTARAP, TERESA AGTARAP, WALTER DE SANTOS, AND ABELARDO DAGORO, RESPONDENTS.

G.R. No. 177099. June 08, 2011

Ponente: NACHURA, J.

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NACHURA, J.:

Before us are the consolidated petitions for review on certiorari of petitioners Sebastian G. Agtarap (Sebastian) [1] and Eduardo G. Agtarap (Eduardo), [2] assailing the Decision dated November 21, 2006 [3] and the Resolution dated March 27, 2007 [4] of the Court of Appeals (CA) in CA-G.R. CV No. 73916.

The antecedent facts and proceedings--

On September 15, 1994, Eduardo filed with the Regional Trial Court (RTC), Branch 114, Pasay City, a verified petition for the judicial settlement of the estate of his deceased father Joaquin Agtarap (Joaquin). It was docketed as Special Proceedings No. 94-4055.

The petition alleged that Joaquin died intestate on November 21, 1964 in Pasay City without any known debts or obligations. During his lifetime, Joaquin contracted two marriages, first with Lucia Garcia (Lucia), [5] and second with Caridad Garcia (Caridad). Lucia died on April 24, 1924. Joaquin and Lucia had three children--Jesus (died without issue), Milagros, and Jose (survived by three children, namely, Gloria, [6] Joseph, and Teresa [7]). Joaquin married Caridad on February 9, 1926. They also had three children--Eduardo, Sebastian, and Mercedes (survived by her daughter Cecile). At the time of his death, Joaquin left two parcels of land with improvements in Pasay City, covered by Transfer Certificates of Title (TCT) Nos. 873-(38254) and 874-(38255). Joseph, a grandson of Joaquin, had been leasing and improving the said realties and had been appropriating for himself P26,000.00 per month since April 1994.

Eduardo further alleged that there was an imperative need to appoint him as special administrator to take possession and charge of the estate assets and their civil fruits, pending the appointment of a regular administrator. In addition, he prayed that an order be issued (a) confirming and declaring the named compulsory heirs of Joaquin who would be entitled to participate in the estate; (b) apportioning and allocating unto the named heirs their aliquot shares in the estate in accordance with law; and (c) entitling the distributees the right to receive and enter into possession those parts of the estate individually awarded to them.

On September 26, 1994, the RTC issued an order setting the petition for initial hearing and directing Eduardo to cause its publication.

On December 28, 1994, Sebastian filed his comment, generally admitting the allegations in the petition, and conceding to the appointment of Eduardo as special administrator.

Joseph, Gloria, and Teresa filed their answer/opposition. They alleged that the two subject lots belong to the conjugal partnership of Joaquin with Lucia, and that, upon Lucia's death in April 1924, they became the pro

indiviso owners of the subject properties. They said that their residence was built with the exclusive money of their late father Jose, and the expenses of the extensions to the house were shouldered by Gloria and Teresa, while the restaurant (Manong's Restaurant) was built with the exclusive money of Joseph and his business partner. They opposed the appointment of Eduardo as administrator on the following grounds: (1) he is not physically and mentally fit to do so; (2) his interest in the lots is minimal; and (3) he does not possess the desire to earn. They claimed that the best interests of the estate dictate that Joseph be appointed as special or regular administrator.

On February 16, 1995, the RTC issued a resolution appointing Eduardo as regular administrator of Joaquin's estate. Consequently, it issued him letters of administration.

On September 16, 1995, Abelardo Dagoro filed an answer in intervention, alleging that Mercedes is survived not only by her daughter Cecile, but also by him as her husband. He also averred that there is a need to appoint a special administrator to the estate, but claimed that Eduardo is not the person best qualified for the task.

After the parties were given the opportunity to be heard and to submit their respective proposed projects of partition, the RTC, on October 23, 2000, issued an Order of Partition, [8] with the following disposition--

In the light of the filing by the heirs of their respective proposed projects of partition and the payment of inheritance taxes due the estate as early as 1965, and there being no claim in Court against the estate of the deceased, the estate of JOAQUIN AGTARAP is now consequently - ripe - for distribution among the heirs minus the surviving spouse Caridad Garcia who died on August 25, 1999.

Considering that the bulk of the estate property were acquired during the existence of the second marriage as shown by TCT No. (38254) and TCT No. (38255) which showed on its face that decedent was married to Caridad Garcia, which fact oppositors failed to contradict by evidence other than their negative allegations, the greater part of the estate is perforce accounted by the second marriage and the compulsory heirs thereunder.

The Administrator, Eduardo Agtarap rendered a true and just accounting of his administration from his date of assumption up to the year ending December 31, 1996 per Financial and Accounting Report dated June 2, 1997 which was approved by the Court. The accounting report included the income earned and received for the period and the expenses incurred in the administration, sustenance and allowance of the widow. In accordance with said Financial and Accounting Report which was duly approved by this Court in its Resolution dated July 28, 1998 - the deceased JOAQUIN AGTARAP left real properties consisting of the following:

I LAND:

Two lots and two buildings with one garage quarter located at #3030 Agtarap St., Pasay City, covered by Transfer Certificate of Title Nos. 38254 and 38255 and registered with the Registry of Deeds of Pasay City, Metro Manila, described as follows:

TCT NO.

LOT NO.

AREA/SQ.M.

ZONAL VALUE

AMOUNT

38254

745-B-1

1,335 sq. m.

P5,000.00

P6,675,000.00

38255

745-B-2

1,331 sq. m.

P5,000.00

P6,655,000.00

TOTAL-----

P13,330,000.00

II BUILDINGS AND IMPROVEMENTS:

BUILDING I (Lot # 745-B-1) -----

P350,000.00

BUILDING II (Lot # 745-B-2) -----

320,000.00

Building Improvements -----

97,500.00

Restaurant -----

80,000.00

TOTAL -----

P847,500.00

TOTAL NET WORTH -----

P14,177,500.00

WHEREFORE, the net assets of the estate of the late JOAQUIN AGTARAP with a total value of P14,177,500.00, together with whatever interest from bank deposits and all other incomes or increments thereof accruing after the Accounting Report of December 31, 1996, after deducting therefrom the compensation of the administrator and other expenses allowed by the Court, are hereby ordered distributed as follows:

TOTAL ESTATE - P14,177,500.00

CARIDAD AGTARAP - $\frac{1}{2}$ of the estate as her conjugal share - P7,088,750.00, the other half of P7,088,750.00 - to be divided among the compulsory heirs as follows:

1) JOSE (deceased)

-

P1,181,548.30

2) MILAGROS (deceased)

-

P1,181,548.30

3) MERCEDES (deceased)

-

P1,181,548.30

4) SEBASTIAN

-

P1,181,548.30

5) EDUARDO

-

P1,181,548.30

6) CARIDAD

-

P1,181,548.30

The share of Milagros Agtarap as compulsory heir in the amount of P1,181,548.30 and who died in 1996 will go to Teresa Agtarap and Joseph Agtarap, Walter de Santos and half brothers Eduardo and Sebastian Agtarap in equal proportions.

TERESA AGTARAP

-

P236,291.66

JOSEPH AGTARAP

-

P236,291.66

WALTER DE SANTOS

-

P236,291.66

SEBASTIAN AGTARAP

-

P236,291.66

EDUARDO AGTARAP

-

P236,291.66

Jose Agtarap died in 1967. His compulsory heirs are as follows:

COMPULSORY HEIRS:

1) GLORIA - (deceased) - represented by Walter de Santos --

- P295,364.57

2) JOSEPH AGTARAP

- P295,364.57

3) TERESA AGTARAP

- P295,364.57

4) PRISCILLA AGTARAP

- P295,364.57

Hence, Priscilla Agtarap will inherit P295,364.57.

Adding their share from Milagros Agtarap, the following heirs of the first marriage stand to receive the total amount of:

HEIRS OF THE FIRST MARRIAGE:

1) JOSEPH AGTARAP -

P236,291.66

-share from Milagros Agtarap

P295,364.57

- as compulsory heir of

P531,656.23

Jose Agtarap

2) TERESA AGTARAP -

P236,291.66

- share from Milagros Agtarap

P295,364.57

- as compulsory heir of

P531,656.23

Jose Agtarap

3) WALTER DE SANTOS -

P236,291.66

- share from Milagros Agtarap

P295,364.57

- as compulsory heir of

P531,656.23

Jose Agtarap

HEIRS OF THE SECOND MARRIAGE:

a) CARIDAD AGTARAP

- died on August 25, 1999

P7,088,750.00

- as conjugal share

P1,181,458.30

- as compulsory heir

Total of

P8,270,208.30

b) SEBASTIAN AGTARAP

- P1,181,458.38

- as compulsory heir

P 236,291.66

- share from Milagros

c) EDUARDO AGTARAP

- P1,181,458.38

- as compulsory heir

P 236,291.66

- share from Milagros

d) MERCEDES

- as represented by Abelardo Dagoro as
the surviving spouse of a compulsory heir

P1,181,458.38

REMAINING HEIRS OF CARIDAD AGTARAP:

1) SEBASTIAN AGTARAP

2) EDUARDO AGTARAP

MERCEDES AGTARAP (Predeceased Caridad Agtarap)

In sum, Sebastian Agtarap and Eduardo Agtarap stand to inherit:

SEBASTIAN -

P4,135,104.10

- share from Caridad Garcia

P1,181,458.30

- as compulsory heir

P 236,291.66

- share from Milagros

P5,522,854.06

EDUARDO -

P4,135,104.10

- share from Caridad Garcia

P1,181,458.30

- as compulsory heir

P 236,291.66

- share from Milagros

P5,522,854.06

SO ORDERED. [9]

Eduardo, Sebastian, and oppositors Joseph and Teresa filed their respective motions for reconsideration.

On August 27, 2001, the RTC issued a resolution [10] denying the motions for reconsideration of Eduardo and Sebastian, and granting that of Joseph and Teresa. It also declared that the real estate properties belonged to the conjugal partnership of Joaquin and Lucia. It also directed the modification of the October 23, 2000 Order of Partition to reflect the correct sharing of the heirs. However, before the RTC could issue a new order of partition, Eduardo and Sebastian both appealed to the CA.

On November 21, 2006, the CA rendered its Decision, the dispositive portion of which reads--

WHEREFORE, premises considered, the instant appeals are DISMISSED for lack of merit. The assailed Resolution dated August 27, 2001 is AFFIRMED and pursuant thereto, the subject properties (Lot No. 745-B-1 [TCT No. 38254] and Lot No. 745-B-2 [TCT No. 38255]) and the estate of the late Joaquin Agtarap are hereby partitioned as follows:

The two (2) properties, together with their improvements, embraced by TCT No. 38254 and TCT No. 38255, respectively, are first to be distributed among the following:

Lucia Mendieta

-

½ of the property. But since she is deceased, her share shall be inherited by Joaquin, Jesus, Milagros and Jose in equal shares.

Joaquin Agtarap

-

½ of the property and ¼ of the other half of the property which pertains to Lucia Mendieta's share.

Jesus Agtarap

-

¼ of Lucia Mendieta's share. But since he is already deceased (and died without issue), his inheritance shall, in turn, be acquired by Joaquin Agtarap.

Milagros Agtarap

-

¼ of Lucia Mendieta's share. But since she died in 1996 without issue, 5/8 of her inheritance shall be inherited by Gloria (represented by her husband Walter de Santos and her daughter Samantha), Joseph Agtarap and Teresa Agtarap, (in representation of Milagros' brother Jose Agtarap) and 1/8 each shall be inherited by Mercedes (represented by her husband Abelardo Dagoro and her daughter Cecile), Sebastian Eduardo, all surnamed Agtarap.

Jose Agtarap

-

¼ of Lucia Mendieta's share. But since he died in 1967, his inheritance shall be acquired by his wife Priscilla, and children Gloria (represented by her husband Walter de Santos and her daughter Samantha), Joseph Agtarap and Teresa in equal shares.

Then, Joaquin Agtarap's estate, comprising three-fourths (3/4) of the subject properties and its improvements, shall be distributed as follows:

Caridad Garcia

-

1/6 of the estate. But since she died in 1999, her share shall be inherited by her children namely Mercedes Agtarap (represented by her husband Abelardo Dagoro and her daughter Cecilia), Sebastian Agtarap and Eduardo Agtarap in their own right, dividing the inheritance in equal shares.

Milagros Agtarap

-

1/6 of the estate. But since she died in 1996 without issue, 5/8 of her inheritance shall be inherited by Gloria (represented by her husband Walter de Santos and her daughter Samantha), Joseph Agtarap and Teresa Agtarap, (in representation of Milagros' brother Jose Agtarap) and 1/8 each shall be inherited by Mercedes (represented by her husband Abelardo Dagoro and her daughter Cecile), Sebastian and Eduardo, all surnamed Agtarap.

Jose Agtarap

-

1/6 of the estate. But since he died in 1967, his inheritance shall be acquired by his wife Priscilla, and children Gloria (represented by her husband Walter de Santos and her daughter Samantha), Joseph Agtarap and Teresa Agtarap in equal shares.

Mercedes Agtarap

-

1/6 of the estate. But since she died in 1984, her inheritance shall be acquired by her husband Abelardo Dagoro and her daughter Cecile in equal shares.

Sebastian Agtarap

-

1/6 of the estate.

Eduardo Agtarap

-

1/6 of the estate.

SO ORDERED. [11]

Aggrieved, Sebastian and Eduardo filed their respective motions for reconsideration.

In its Resolution dated March 27, 2007, the CA denied both motions. Hence, these petitions ascribing to the

appellate court the following errors:

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1. - The Court of Appeals erred in not considering the aforementioned important facts [12] which alter its Decision;
2. - The Court of Appeals erred in not considering the necessity of hearing the issue of legitimacy of respondents as heirs;
3. - The Court of Appeals erred in allowing violation of the law and in not applying the doctrines of collateral attack, estoppel, and res judicata. [13]

G.R. No. 177099

THE COURT OF APPEALS (FORMER TWELFTH DIVISION) DID NOT ACQUIRE JURISDICTION OVER THE ESTATE OF MILAGROS G. AGTARAP AND ERRED IN DISTRIBUTING HER INHERITANCE FROM THE ESTATE OF JOAQUIN AGTARAP NOTWITHSTANDING THE EXISTENCE OF HER LAST WILL AND TESTAMENT IN VIOLATION OF THE DOCTRINE OF PRECEDENCE OF TESTATE PROCEEDINGS OVER INTESTATE PROCEEDINGS.

II.

THE COURT OF APPEALS (FORMER TWELFTH DIVISION) ERRED IN DISMISSING THE DECISION APPEALED FROM FOR LACK OF MERIT AND IN AFFIRMING THE ASSAILED RESOLUTION DATED AUGUST 27, 2001 OF THE LOWER COURT HOLDING THAT THE PARCELS OF LAND COVERED BY TCT NO. 38254 AND TCT (NO.) 38255 OF THE REGISTRY OF DEEDS FOR THE CITY OF PASAY BELONG TO THE CONJUGAL PARTNERSHIP OF JOAQUIN AGTARAP MARRIED TO LUCIA GARCIA MENDIETTA NOTWITHSTANDING THEIR REGISTRATION UNDER THEIR EXISTING CERTIFICATES OF TITLE AS REGISTERED IN THE NAME OF JOAQUIN AGTARAP, CASADO CON CARIDAD GARCIA. UNDER EXISTING JURISPRUDENCE, THE PROBATE COURT HAS NO POWER TO DETERMINE THE OWNERSHIP OF THE PROPERTY DESCRIBED IN THESE CERTIFICATES OF TITLE WHICH SHOULD BE RESOLVED IN AN APPROPRIATE SEPARATE ACTION FOR A TORRENS TITLE UNDER THE LAW IS ENDOWED WITH INCONTESTABILITY UNTIL IT HAS BEEN SET ASIDE IN THE MANNER INDICATED IN THE LAW ITSELF. [14]

As regards his first and second assignments of error, Sebastian contends that Joseph and Teresa failed to establish by competent evidence that they are the legitimate heirs of their father Jose, and thus of their grandfather Joaquin. He draws attention to the certificate of title (TCT No. 8026) they submitted, stating that the wife of their father Jose is Presentacion Garcia, while they claim that their mother is Priscilla. He avers that the marriage contracts proffered by Joseph and Teresa do not qualify as the best evidence of Jose's marriage with Priscilla, inasmuch as they were not authenticated and formally offered in evidence. Sebastian also asseverates that he actually questioned the legitimacy of Joseph and Teresa as heirs of Joaquin in his motion to exclude them as heirs, and in his reply to their opposition to the said motion. He further claims that the failure of Abelardo Dagoro and Walter de Santos to oppose his motion to exclude them as heirs had the effect of admitting the allegations therein. He points out that his motion was denied by the RTC without a hearing.

With respect to his third assigned error, Sebastian maintains that the certificates of title of real estate properties subject of the controversy are in the name of Joaquin Agtarap, married to Caridad Garcia, and as such are conclusive proof of their ownership thereof, and thus, they are not subject to collateral attack, but should be threshed out in a separate proceeding for that purpose. He likewise argues that estoppel applies against the children of the first marriage, since none of them registered any objection to the issuance of the TCTs in the name

of Caridad and Joaquin only. He avers that the estate must have already been settled in light of the payment of the estate and inheritance tax by Milagros, Joseph, and Teresa, resulting to the issuance of TCT No. 8925 in Milagros' name and of TCT No. 8026 in the names of Milagros and Jose. He also alleges that *res judicata* is applicable as the court order directing the deletion of the name of Lucia, and replacing it with the name of Caridad, in the TCTs had long become final and executory.

In his own petition, with respect to his first assignment of error, Eduardo alleges that the CA erroneously settled, together with the settlement of the estate of Joaquin, the estates of Lucia, Jesus, Jose, Mercedes, Gloria, and Milagros, in contravention of the principle of settling only one estate in one proceeding. He particularly questions the distribution of the estate of Milagros in the intestate proceedings despite the fact that a proceeding was conducted in another court for the probate of the will of Milagros, bequeathing all to Eduardo whatever share that she would receive from Joaquin's estate. He states that this violated the rule on precedence of testate over intestate proceedings.

Anent his second assignment of error, Eduardo contends that the CA gravely erred when it affirmed that the bulk of the realties subject of this case belong to the first marriage of Joaquin to Lucia, notwithstanding that the certificates of title were registered in the name of Joaquin Agtarap casado con ("married to") Caridad Garcia. According to him, the RTC, acting as an intestate court with limited jurisdiction, was not vested with the power and authority to determine questions of ownership, which properly belongs to another court with general jurisdiction.

The Court's Ruling

As to Sebastian's and Eduardo's common issue on the ownership of the subject real properties, we hold that the RTC, as an intestate court, had jurisdiction to resolve the same.

The general rule is that the jurisdiction of the trial court, either as a probate or an intestate court, relates only to matters having to do with the probate of the will and/or settlement of the estate of deceased persons, but does not extend to the determination of questions of ownership that arise during the proceedings. [15] The patent rationale for this rule is that such court merely exercises special and limited jurisdiction. [16] As held in several cases, [17] a probate court or one in charge of estate proceedings, whether testate or intestate, cannot adjudicate or determine title to properties claimed to be a part of the estate and which are claimed to belong to outside parties, not by virtue of any right of inheritance from the deceased but by title adverse to that of the deceased and his estate. All that the said court could do as regards said properties is to determine whether or not they should be included in the inventory of properties to be administered by the administrator. If there is no dispute, there poses no problem, but if there is, then the parties, the administrator, and the opposing parties have to resort to an ordinary action before a court exercising general jurisdiction for a final determination of the conflicting claims of title.

However, this general rule is subject to exceptions as justified by expediency and convenience.

First, the probate court may provisionally pass upon in an intestate or a testate proceeding the question of inclusion in, or exclusion from, the inventory of a piece of property without prejudice to the final determination of ownership in a separate action. [18] Second, if the interested parties are all heirs to the estate, or the question is one of collation or advancement, or the parties consent to the assumption of jurisdiction by the probate court and the rights of third parties are not impaired, then the probate court is competent to resolve issues on ownership. [19] Verily, its jurisdiction extends to matters incidental or collateral to the settlement and distribution of the estate, such as the determination of the status of each heir and whether the property in the inventory is conjugal or exclusive property of the deceased spouse. [20]

We hold that the general rule does not apply to the instant case considering that the parties are all heirs of Joaquin and that no rights of third parties will be impaired by the resolution of the ownership issue. More importantly, the determination of whether the subject properties are conjugal is but collateral to the probate court's jurisdiction to settle the estate of Joaquin.

It should be remembered that when Eduardo filed his verified petition for judicial settlement of Joaquin's estate, he alleged that the subject properties were owned by Joaquin and Caridad since the TCTs state that the lots were registered in the name of Joaquin Agtarap, married to Caridad Garcia. He also admitted in his petition that Joaquin, prior to contracting marriage with Caridad, contracted a first marriage with Lucia. Oppositors to the petition, Joseph and Teresa, however, were able to present proof before the RTC that TCT Nos. 38254 and 38255 were derived from a mother title, TCT No. 5239, dated March 17, 1920, in the name of FRANCISCO VICTOR BARNES Y JOAQUIN AGTARAP, el primero casado con Emilia Muscat, y el Segundo con Lucia Garcia Mendieta (FRANCISCO VICTOR BARNES y JOAQUIN AGTARAP, the first married to Emilia Muscat, and the second married to Lucia Garcia Mendieta). [21] When TCT No. 5239 was divided between Francisco Barnes and Joaquin Agtarap, TCT No. 10864, in the name of Joaquin Agtarap, married to Lucia Garcia Mendieta, was issued for a parcel of land, identified as Lot No. 745 of the Cadastral Survey of Pasay, Cadastral Case No. 23, G.L.R.O. Cadastral Record No. 1368, consisting of 8,872 square meters. This same lot was covered by TCT No. 5577 (32184) [22] issued on April 23, 1937, also in the name of Joaquin Agtarap, married to Lucia Garcia Mendieta.

The findings of the RTC and the CA show that Lucia died on April 24, 1924, and subsequently, on February 9, 1926, Joaquin married Caridad. It is worthy to note that TCT No. 5577 (32184) contained an annotation, which reads--

Ap-4966 - NOTA: Se ha enmendado el presente certificado de titulo, tal como aparece, tanchando las palabras "con Lucia Garcia Mendieta" y poniendo en su lugar, entre lineas y en tinta encarnada, las palabras "en segundas nupcias con Caridad Garcia", en cumplimiento de un orden de fecha 28 de abril de 1937, dictada por el Hon. Sixto de la Costa, juez del Juzgado de Primera Instancia de Rizal, en el expediente cadastal No. 23, G.L.R.O. Cad. Record No. 1368; copia de cual orden has sido presentada con el No. 4966 del Libro Diario, Tomo 6.0 y, archivada en el Legajo T-No. 32184.

Pasig, Rizal, a 29 abril de 1937. [23]

Thus, per the order dated April 28, 1937 of Hon. Sixto de la Costa, presiding judge of the Court of First Instance of Rizal, the phrase con Lucia Garcia Mendieta was crossed out and replaced by en segundas nupcias con Caridad Garcia, referring to the second marriage of Joaquin to Caridad. It cannot be gainsaid, therefore, that prior to the replacement of Caridad's name in TCT No. 32184, Lucia, upon her demise, already left, as her estate, one-half (1/2) conjugal share in TCT No. 32184. Lucia's share in the property covered by the said TCT was carried over to the properties covered by the certificates of title derivative of TCT No. 32184, now TCT Nos. 38254 and 38255. And as found by both the RTC and the CA, Lucia was survived by her compulsory heirs - Joaquin, Jesus, Milagros, and Jose.

Section 2, Rule 73 of the Rules of Court provides that when the marriage is dissolved by the death of the husband or the wife, the community property shall be inventoried, administered, and liquidated, and the debts thereof paid; in the testate or intestate proceedings of the deceased spouse, and if both spouses have died, the conjugal partnership shall be liquidated in the testate or intestate proceedings of either. Thus, the RTC had jurisdiction to determine whether the properties are conjugal as it had to liquidate the conjugal partnership to determine the estate of the decedent. In fact, should Joseph and Teresa institute a settlement proceeding for the intestate estate of Lucia, the same should be consolidated with the settlement proceedings of Joaquin, being Lucia's spouse. [24]

Accordingly, the CA correctly distributed the estate of Lucia, with respect to the properties covered by TCT Nos. 38254 and 38255 subject of this case, to her compulsory heirs.

Therefore, in light of the foregoing evidence, as correctly found by the RTC and the CA, the claim of Sebastian and Eduardo that TCT Nos. 38254 and 38255 conclusively show that the owners of the properties covered therein were Joaquin and Caridad by virtue of the registration in the name of Joaquin Agtarap casado con (married to) Caridad Garcia, deserves scant consideration. This cannot be said to be a collateral attack on the said TCTs. Indeed, simple possession of a certificate of title is not necessarily conclusive of a holder's true ownership of property. [25] A certificate of title under the Torrens system aims to protect dominion; it cannot be used as an instrument for the deprivation of ownership. [26] Thus, the fact that the properties were registered in the name of Joaquin Agtarap, married to Caridad Garcia, is not sufficient proof that the properties were acquired during the spouses' coverture. [27] The phrase "married to Caridad Garcia" in the TCTs is merely descriptive of the civil status of Joaquin as the registered owner, and does not necessarily prove that the realties are their conjugal properties. [28]

Neither can Sebastian's claim that Joaquin's estate could have already been settled in 1965 after the payment of the inheritance tax be upheld. Payment of the inheritance tax, per se, does not settle the estate of a deceased person. As provided in Section 1, Rule 90 of the Rules of Court--

SECTION 1. When order for distribution of residue made. -- When the debts, funeral charges, and expenses of administration, the allowance to the widow, and inheritance tax, if any, chargeable to the estate in accordance with law, have been paid, the court, on the application of the executor or administrator, or of a person interested in the estate, and after hearing upon notice, shall assign the residue of the estate to the persons entitled to the same, naming them and the proportions, or parts, to which each is entitled, and such persons may demand and recover their respective shares from the executor or administrator, or any other person having the same in his possession. If there is a controversy before the court as to who are the lawful heirs of the deceased person or as to the distributive share to which each person is entitled under the law, the controversy shall be heard and decided as in ordinary cases.

No distribution shall be allowed until the payment of the obligations above mentioned has been made or provided for, unless the distributees, or any of them, give a bond, in a sum to be fixed by the court, conditioned for the payment of said obligations within such time as the court directs.

Thus, an estate is settled and distributed among the heirs only after the payment of the debts of the estate, funeral charges, expenses of administration, allowance to the widow, and inheritance tax. The records of these cases do not show that these were complied with in 1965.

As regards the issue raised by Sebastian on the legitimacy of Joseph and Teresa, suffice it to say that both the RTC and the CA found them to be the legitimate children of Jose. The RTC found that Sebastian did not present clear and convincing evidence to support his averments in his motion to exclude them as heirs of Joaquin, aside from his negative allegations. The RTC also noted the fact of Joseph and Teresa being the children of Jose was never questioned by Sebastian and Eduardo, and the latter two even admitted this in their petitions, as well as in the stipulation of facts in the August 21, 1995 hearing. [29] Furthermore, the CA affirmed this finding of fact in its November 21, 2006 Decision. [30]

Also, Sebastian's insistence that Abelardo Dagoro and Walter de Santos are not heirs to the estate of Joaquin cannot be sustained. Per its October 23, 2000 Order of Partition, the RTC found that Gloria Agtarap de Santos died on May 4, 1995, and was later substituted in the proceedings below by her husband Walter de Santos. Gloria begot a daughter with Walter de Santos, Georgina Samantha de Santos. The RTC likewise noted that, on September 16, 1995, Abelardo Dagoro filed a motion for leave of court to intervene, alleging that he is the

surviving spouse of Mercedes Agtarap and the father of Cecilia Agtarap Dagoro, and his answer in intervention. The RTC later granted the motion, thereby admitting his answer on October 18, 1995. [31] The CA also noted that, during the hearing of the motion to intervene on October 18, 1995, Sebastian and Eduardo did not interpose any objection when the intervention was submitted to the RTC for resolution. [32]

Indeed, this Court is not a trier of facts, and there appears no compelling reason to hold that both courts erred in ruling that Joseph, Teresa, Walter de Santos, and Abelardo Dagoro rightfully participated in the estate of Joaquin. It was incumbent upon Sebastian to present competent evidence to refute his and Eduardo's admissions that Joseph and Teresa were heirs of Jose, and thus rightful heirs of Joaquin, and to timely object to the participation of Walter de Santos and Abelardo Dagoro. Unfortunately, Sebastian failed to do so. Nevertheless, Walter de Santos and Abelardo Dagoro had the right to participate in the estate in representation of the Joaquin's compulsory heirs, Gloria and Mercedes, respectively. [33]

This Court also differs from Eduardo's asseveration that the CA erred in settling, together with Joaquin's estate, the respective estates of Lucia, Jesus, Jose, Mercedes, and Gloria. A perusal of the November 21, 2006 CA Decision would readily show that the disposition of the properties related only to the settlement of the estate of Joaquin. Pursuant to Section 1, Rule 90 of the Rules of Court, as cited above, the RTC was specifically granted jurisdiction to determine who are the lawful heirs of Joaquin, as well as their respective shares after the payment of the obligations of the estate, as enumerated in the said provision. The inclusion of Lucia, Jesus, Jose, Mercedes, and Gloria in the distribution of the shares was merely a necessary consequence of the settlement of Joaquin's estate, they being his legal heirs.

However, we agree with Eduardo's position that the CA erred in distributing Joaquin's estate pertinent to the share allotted in favor of Milagros. Eduardo was able to show that a separate proceeding was instituted for the probate of the will allegedly executed by Milagros before the RTC, Branch 108, Pasay City. [34] While there has been no showing that the alleged will of Milagros, bequeathing all of her share from Joaquin's estate in favor of Eduardo, has already been probated and approved, prudence dictates that this Court refrain from distributing Milagros' share in Joaquin's estate.

It is also worthy to mention that Sebastian died on January 15, 2010, per his Certificate of Death. [35] He is survived by his wife Teresita B. Agtarap (Teresita) and his children Joaquin Julian B. Agtarap (Joaquin Julian) and Ana Ma. Agtarap Panlilio (Ana Ma.).

Henceforth, in light of the foregoing, the assailed November 21, 2006 Decision and the March 27, 2007 Resolution of the CA should be affirmed with modifications such that the share of Milagros shall not yet be distributed until after the final determination of the probate of her purported will, and that Sebastian shall be represented by his compulsory heirs.

WHEREFORE, the petition in G.R. No. 177192 is DENIED for lack of merit, while the petition in G.R. No. 177099 is PARTIALLY GRANTED, such that the Decision dated November 21, 2006 and the Resolution dated March 27, 2007 of the Court of Appeals are AFFIRMED with the following MODIFICATIONS: that the share awarded in favor of Milagros Agtarap shall not be distributed until the final determination of the probate of her will, and that petitioner Sebastian G. Agtarap, in view of his demise on January 15, 2010, shall be represented by his wife Teresita B. Agtarap and his children Joaquin Julian B. Agtarap and Ana Ma. Agtarap Panlilio.

These cases are hereby remanded to the Regional Trial Court, Branch 114, Pasay City, for further proceedings in the settlement of the estate of Joaquin Agtarap. No pronouncement as to costs.

SO ORDERED.

Carpio, (Chairperson), Peralta, Abad, and Mendoza, JJ., concur.

[1] Rollo (G.R. No. 177192), pp. 3-15.

[2] Rollo (G.R. No. 177099), pp. 44-83.

[3] Penned by Associate Justice Ramon M. Bato, Jr., with Associate Justices Jose L. Sabio, Jr. and Rosalinda Asuncion-Vicente, concurring; rollo (G.R. No. 177192), pp. 16-37; rollo (G.R. No. 177099), pp. 85-106.

[4] Id. at 38-41, 108-111.

[5] Also, Lucia Garcia Mendieta.

[6] Also, Gloria Agtarap-de Santos.

[7] Also, Maria Teresa Agtarap-Viriña.

[8] Rollo (G.R. No. 177099), pp. 417-433.

[9] Id. at 429-433.

[10] Id. at 434-438.

[11] Rollo (G.R. No. 177192), pp. 33-36; (G.R. No. 177099), pp. 30-33.

[12] Sebastian claims that the CA ignored the following facts:

- Sebastian's reply, dated October 1, 1996, questioning the legitimacy of oppositors Joseph and Teresa Agtarap and intervenor Abelardo Dagoro as heirs;
- Sebastian's motion, dated January 3, 1997, to exclude Joseph, Teresa, and Abelardo Dagoro as heirs;
- Sebastian's reply to the opposition to the motion to exclude, with a copy of TCT No. 8026 in the name of Milagros and Jose Agtarap, showing that the latter's wife is Presentacion and not Priscilla as claimed by Joseph and Teresa;
- The Order, dated October 23, 2000, denying Sebastian's motion to exclude for his failure to present clear and convincing evidence on his allegations, and without a hearing conducted on the legitimacy issue;
- The marriage contracts of Jose Agtarap, submitted by Joseph and Teresa, which are not admissible in evidence;
- The brief belatedly filed by Joseph and Teresa was a reply brief; and
- The failure of Abelardo Dagoro and Walter de Santos to oppose the motion to exclude, which operated as an implied admission of the allegations therein.

[13] Rollo (G.R. No. 177192), p. 6.

[14] Rollo (G.R. No. 177099), pp. 57-58.

[15] Sanchez v. Court of Appeals, G.R. No. 108947, September 29, 1997, 279 SCRA 647; Jimenez v. Intermediate Appellate Court, G.R. No. 75773, April 17, 1990, 184 SCRA 367; Ramos v. Court of Appeals, G.R. No. 42108, December 29, 1989, 180 SCRA 635.

[16] Heirs of Oscar R. Reyes v. Reyes, G.R. No. 139587, November 22, 2000, 345 SCRA 541.

[17] Sanchez v. Court of Appeals, supra note 15; Baybayan v. Aquino, No. L-42678, April 9, 1987, 149 SCRA 186; Morales v. Court of First Instance of Cavite, G.R. No. L-47125, December 29, 1986, 146 SCRA 373; Cuizon v. Ramolete, L-51291, May 29, 1984, 129 SCRA 495.

[18] Coca v. Pizarra Vda. de Pangilinan, G.R. No. L-27082, January 31, 1978, 171 Phil. 246, 252; Lachenal v. Salas, L-42257, June 14, 1976, 71 SCRA 262, 266.

[19] Coca v. Pizarra Vda. de Pangilinan, supra; Pascual v. Pascual, 73 Phil. 561 (1942); Alvarez v. Espiritu, L-18833, August 14, 1965, 14 SCRA 892; Cunanan v. Amparo, 80 Phil. 227; Moran's Comments on the Rules of Court, 1970 Ed., p. 473.

[20] Regalado, F.D. Remedial Law Compendium. Vol. II, Eighth Revised Edition (2000), p. 11.

[21] Rollo (G.R. No. 177099), pp. 389-390.

[22] Id. at 391-393.

[23] Id. at 391.

[24] Bernardo, et al. v. CA, et al., L-18148, Feb. 28, 1963, cited in Regalado, F.D. Remedial Law Compendium. Vol. II, Eighth Revised Edition (2000), p. 9.

[25] Bejoc v. Cabrereros, G.R. No. 145849, July 22, 2005, 464 SCRA 78, 87.

[26] Joaquin v. Reyes, G.R. No. 154645, July 13, 2004, 434 SCRA 260, 273.

[27] Jocson v. Court of Appeals, G.R. No. 55322, February 16, 1989, 170 SCRA 333, 345.

[28] Magallon v. Montejo, G.R. No. L-73733, December 16, 1986, 146 SCRA 282, 292.

[29] October 23, 2000 Order of Partition and August 27, 2001 Resolution, rollo (G.R. No. 177099), pp. 422 and 437, respectively.

[30] Id. at 21.

[31] Id. at 419-420.

[32] Id. at 21.

[33] CIVIL CODE, Art. 970.

Art. 970. Representation is a right created by fiction of law, by virtue of which the representative is raised to the place and the degree of the person represented, and acquires the rights which the latter would have if he were living or if he could have inherited.

[34] Rollo (G.R. No. 177099), pp. 137-165.

[35] Id. at 490.

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