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SECOND DIVISION

[G.R. No. 202370. September 23, 2013]

JUAN SEVILLA SALAS, JR., *petitioner, vs.* **EDEN VILLENA AGUILA,** *respondent.*

SYLLABUS

1. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; PARTITION; THE SETTLEMENT OF THE ISSUE OF CO-OWNERSHIP IS THE FIRST STAGE IN AN ACTION FOR PARTITION.—**Since the original manifestation was an action for partition, this Court cannot order a division of the property, unless it first makes a determination as to the existence of a co-ownership. Thus, the settlement of the issue of ownership is the first stage in this action.

2. **ID.; EVIDENCE; WEIGHT AND SUFFICIENCY; PREPONDERANCE OF EVIDENCE IN CIVIL CASES; RESPONDENT'S EVIDENCE IS OF SUPERIOR WEIGHT THAN THAT OF PETITIONER'S EVIDENCE.—**Basic is the rule that the party making an allegation in a civil case has the burden of proving it by a preponderance of evidence. Salas alleged that contrary to Aguila's petition stating that they had no conjugal property, they actually acquired the Waived Properties during their marriage. However, the RTC found, and the CA affirmed, that Salas failed to prove the existence and acquisition of the Waived Properties during their marriage. x x x On the other hand, Aguila proved that the Discovered Properties were acquired by Salas during their marriage. Both the RTC and the CA agreed that the Discovered Properties registered in Salas' name were acquired during his marriage with Aguila. The TCTs of the Discovered Properties were entered on 2 July 1999 and 29 September 2003, or during the validity of Salas and Aguila's marriage. In *Villanueva v. Court of Appeals*, we held that the question of whether the properties were acquired during the marriage is a factual issue. Factual findings of the RTC, particularly if affirmed by the CA, are binding on us, except under compelling circumstances not present in this case.

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3. ID.; CIVIL PROCEDURE; INTERVENTION; A PERSON WHO HAS NO LEGAL INTEREST IN THE MATTER OF LITIGATION HAS NO RIGHT TO INTERVENE.— Considering that Rubina failed to prove her title or her legal interest in the Discovered Properties, she has no right to intervene in this case. The Rules of Court provide that only "a person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof may, with leave of court, be allowed to intervene in the action."

4. CIVIL LAW; LAND REGISTRATION; TORRENS TITLE; GENERALLY A CONCLUSIVE EVIDENCE OF THE OWNERSHIP OF THE LAND REFERRED TO, BECAUSE THERE IS A STRONG PRESUMPTION THAT IT IS VALID AND REGULARLY ISSUED.— On both Salas and Rubina's contention that Rubina owns the Discovered Properties, we likewise find the contention unmeritorious. The TCTs state that "Juan S. Salas, married to Rubina C. Salas" is the registered owner of the Discovered Properties. A Torrens title is generally a conclusive evidence of the ownership of the land referred to, because there is a strong presumption that it is valid and regularly issued. The phrase "married to" is merely descriptive of the civil status of the registered owner. Furthermore, Salas did not initially dispute the ownership of the Discovered Properties in his opposition to the manifestation. It was only when Rubina intervened that Salas supported Rubina's statement that she owns the Discovered Properties.

5. ID.; FAMILY CODE; PROPERTY REGIME UNDER ARTICLE 147 OF THE FAMILY CODE IS GOVERNED BY THE RULES ON CO-OWNERSHIP.— In *Diño v. Diño*, we held that Article 147 of the Family Code applies to the union of parties who are legally capacitated and not barred by any impediment to contract marriage, but whose marriage is nonetheless declared void under Article 36 of the Family Code, as in this case. Article 147 of the Family Code provides : 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**

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> **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**. x x x Under this property regime, property acquired during the marriage is *prima facie* presumed to have been obtained through the couple's joint efforts and governed by the rules on co-ownership. In the present case, Salas did not rebut this presumption. In a similar case where the ground for nullity of marriage was also psychological incapacity, we held that the properties acquired during the union of the parties, as found by both the RTC and the CA, would be governed by co-ownership. Accordingly, the partition of the Discovered Properties as ordered by the RTC and the CA should be sustained, but on the basis of co-ownership and not on the regime of conjugal partnership of gains.

APPEARANCES OF COUNSEL

Oliver C. Ong for petitioner.
Edwin P. Sulit for respondent.

D E C I S I O N

CARPIO, *J.*:

The Case

This petition for review on *certiorari*[1] assails the 16 March 2012 Decision[2] and the 28 June 2012 Resolution[3] of the Court of Appeals (CA) in CA-G.R. CV No. 95322. The CA affirmed the 26 September 2008 Order[4] of the Regional Trial Court of Nasugbu, Batangas, Branch 14 (RTC), in Civil Case No. 787.

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

[2] *Rollo*, pp. 10-21. Penned by Associate Justice Romeo F. Barza with Associate Justices Noel G. Tijam and Edwin D. Sorongon, concurring.

[3] *Id*. at 31-32.

[4] *Id*. at 77-87. Penned by Judge Wilfredo De Joya Mayor.

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The Facts

On 7 September 1985, petitioner Juan Sevilla Salas, Jr. (Salas) and respondent Eden Villena Aguila (Aguila) were married. On 7 June 1986, Aguila gave birth to their daughter, Joan Jiselle. Five months later, Salas left their conjugal dwelling. Since then, he no longer communicated with Aguila or their daughter.

On 7 October 2003, Aguila filed a Petition for Declaration of Nullity of Marriage (petition) citing psychological incapacity under Article 36 of the Family Code. The petition states that they "have no conjugal properties whatsoever."[5] In the Return of Summons dated 13 October 2003, the sheriff narrated that Salas instructed his mother Luisa Salas to receive the copy of summons and the petition.[6]

On 7 May 2007, the RTC rendered a Decision[7] declaring the nullity of the marriage of Salas and Aguila (RTC Decision). The RTC Decision further provides for the "dissolution of their conjugal partnership of gains, if any."[8]

On 10 September 2007, Aguila filed a Manifestation and Motion[9] stating that she discovered: (a) two 200-square-meter parcels of land with improvements located in San Bartolome, Quezon City, covered by Transfer Certificate of Title (TCT) No. N-259299-A and TCT No. N-255497; and (b) a 108-square-

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[5] *Id.* at 59.

[6] Records, p. 21.

[7] *Rollo*, pp. 61-70. Penned by Judge Elihu A. Ibañez.

[8] *Id.* at 70. The dispositive portion reads:

WHEREFORE, premises considered, judgment is hereby rendered DECLARING THE NULLITY of the marriage of petitioner Eden Villena Aguila Salas and respondent Juan Sevilla Salas, Jr. which was celebrated on September 7, 1985 and the DISSOLUTION of their conjugal partnership of gains, if any.

SO ORDERED.

[9] *Id.* at 71-72.

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meter parcel of land with improvement located in Tondo, Manila, covered by TCT No. 243373 (collectively, "Discovered Properties"). The registered owner of the Discovered Properties is "Juan S. Salas, married to Rubina C. Salas." The manifestation was set for hearing on 21 September 2007. However, Salas' notice of hearing was returned unserved with the remark, "RTS Refused To Receive."

On 19 September 2007, Salas filed a Manifestation with Entry of Appearance[10] requesting for an Entry of Judgment of the RTC Decision since no motion for reconsideration or appeal was filed and no conjugal property was involved.

On 21 September 2007, the hearing for Aguila's manifestation ensued, with Aguila, her counsel and the state prosecutor present. During the hearing, Aguila testified that on 17 April 2007 someone informed her of the existence of the Discovered Properties. Thereafter, she verified the information and secured copies of TCTs of the Discovered Properties. When asked to clarify, Aguila testified that Rubina C. Salas (Rubina) is Salas' common-law wife.[11]

On 8 February 2008, Salas filed an Opposition to the Manifestation[12] alleging that there is no conjugal property to be partitioned based on Aguila's petition. According to Salas, Aguila's statement was a judicial admission and was not made through palpable mistake. Salas claimed that Aguila waived her right to the Discovered Properties. Salas likewise enumerated properties he allegedly waived in favor of Aguila, to wit: (1) parcels of land with improvements located in Sugar Landing Subdivision, Alangilan, Batangas City; No. 176 Brias Street, Nasugbu, Batangas; P. Samaniego Street, Silangan, Nasugbu, Batangas; and Batangas City, financed by Filinvest; (2) cash amounting to ₱200,000.00; and (3) motor vehicles, specifically Honda City and Toyota Tamaraw FX (collectively, "Waived

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[10] Records, pp. 188-189.

[11] *Id.* at 174. TSN, 21 September 2007, p. 7.

[12] *Rollo,* pp. 73-76.

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Properties"). Thus, Salas contended that the conjugal properties were deemed partitioned.

The Ruling of the Regional Trial Court

In its 26 September 2008 Order, the RTC ruled in favor of Aguila. The dispositive portion of the Order reads:

> WHEREFORE, foregoing premises being considered, the petitioner and the respondent are hereby directed to partition between themselves by proper instruments of conveyance, the following properties, without prejudice to the legitime of their legitimate child, Joan Jisselle Aguila Salas:
>
> (1) A parcel of land registered in the name of Juan S. Salas married to Rubina C. Salas located in San Bartolome, Quezon City and covered by TCT No. N-259299-A marked as Exhibit "A" and its improvements;
>
> (2) A parcel of land registered in the name of Juan S. Salas married to Rubina C. Salas located in San Bartolome, Quezon City and covered by TCT No. N-255497 marked as Exhibit "B" and its improvements;
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> (3) A parcel of land registered in the name of Juan S. Salas married to Rubina Cortez Salas located in Tondo and covered by TCT No. 243373-Ind. marked as Exhibit "D" and its improvements.
>
> Thereafter, the Court shall confirm the partition so agreed upon by the parties, and such partition, together with the Order of the Court confirming the same, shall be recorded in the Registry of Deeds of the place in which the property is situated.
>
> SO ORDERED.[13]

The RTC held that pursuant to the Rules,[14] even upon entry of judgment granting the annulment of marriage, the court can proceed with the liquidation, partition and distribution of the conjugal partnership of gains if it has not been judicially

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[13] *Id.* at 87.

[14] Rule on Declaration of Absolute Nullity of Void Marriages and Annulment of Voidable Marriages (A. M. No. 02-11-10-SC), Section 21.

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adjudicated upon, as in this case. The RTC found that the Discovered Properties are among the conjugal properties to be partitioned and distributed between Salas and Aguila. However, the RTC held that Salas failed to prove the existence of the Waived Properties.

On 11 November 2008, Rubina filed a Complaint-in-Intervention, claiming that: (1) she is Rubina Cortez, a widow and unmarried to Salas; (2) the Discovered Properties are her paraphernal properties; (3) Salas did not contribute money to purchase the Discovered Properties as he had no permanent job in Japan; (4) the RTC did not acquire jurisdiction over her as she was not a party in the case; and (5) she authorized her brother to purchase the Discovered Properties but because he was not well-versed with legal documentation, he registered the properties in the name of "Juan S. Salas, married to Rubina C. Salas."

In its 16 December 2009 Order, the RTC denied the Motion for Reconsideration filed by Salas. The RTC found that Salas failed to prove his allegation that Aguila transferred the Waived Properties to third persons. The RTC emphasized that it cannot go beyond the TCTs, which state that Salas is the registered owner of the Discovered Properties. The RTC further held that Salas and Rubina were at fault for failing to correct the TCTs, if they were not married as they claimed.

Hence, Salas filed an appeal with the CA.

The Ruling of the Court of Appeals

On 16 March 2012, the CA affirmed the order of the RTC.[15] The CA ruled that Aguila's statement in her petition is not a judicial admission. The CA pointed out that the petition was filed on 7 October 2003, but Aguila found the Discovered

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[15] *Rollo*, pp. 20-21. The dispositive portion of the Decision reads:

WHEREFORE, in light of the foregoing, the instant appeal is hereby DENIED for lack of merit. The appealed orders of the lower court dated September 26, 2008 and December 16, 2009 are hereby AFFIRMED.

SO ORDERED.

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Properties only on 17 April 2007 or before the promulgation of the RTC decision. Thus, the CA concluded that Aguila was palpably mistaken in her petition and it would be unfair to punish her over a matter that she had no knowledge of at the time she made the admission. The CA also ruled that Salas was not deprived of the opportunity to refute Aguila's allegations in her manifestation, even though he was not present in its hearing. The CA likewise held that Rubina cannot collaterally attack a certificate of title.

In a Resolution dated 28 June 2012,[16] the CA denied the Motion for Reconsideration[17] filed by Salas. Hence, this petition.

The Issues

Salas seeks a reversal and raises the following issues for resolution:

1. The Court of Appeals erred in affirming the trial court's decision ordering the partition of the parcels of land covered by TCT Nos. N-259299-A and N-255497 in Quezon City and as well as the property in Manila covered by TCT No. 243373 between petitioner and respondent.

2. The Court of Appeals erred in affirming the trial court's decision in not allowing Rubina C. Cortez to intervene in this case.[18]

The Ruling of the Court

The petition lacks merit.

Since the original manifestation was an action for partition, this Court cannot order a division of the property, unless it first makes a determination as to the existence of a co-ownership.[19]

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[16] *Id.* at 31-32.

[17] *Id.* at 22-29.

[18] *Id.* at 44-45.

[19] *Lacbayan v. Samoy, Jr.*, G.R. No. 165427, 21 March 2011, 645 SCRA 677; *Ocampo v. Ocampo*, 471 Phil. 519 (2004) citing *Heirs of Velasquez v. Court of Appeals*, 382 Phil. 438 (2000) and *Catapusan v. Court of Appeals*, 332 Phil. 586 (1996).

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Thus, the settlement of the issue of ownership is the first stage in this action.[20]

Basic is the rule that the party making an allegation in a civil case has the burden of proving it by a preponderance of evidence.[21] Salas alleged that contrary to Aguila's petition stating that they had no conjugal property, they actually acquired the Waived Properties during their marriage. However, the RTC found, and the CA affirmed, that Salas failed to prove the existence and acquisition of the Waived Properties during their marriage:

> A perusal of the record shows that the documents submitted by [Salas] as the properties allegedly registered in the name of [Aguila] are merely photocopies and not certified true copies, hence, this Court cannot admit the same as part of the records of this case. These are the following:
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> (1) TCT No. T-65876 – a parcel of land located at Poblacion, Nasugbu, Batangas, registered in the name of Eden A. Salas, married to Juan Salas Jr. which is cancelled by TCT No. T-105443 in the name of Joan Jiselle A. Salas, single;
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> (2) TCT No. T-68066 – a parcel of land situated in the Barrio of Landing, Nasugbu, Batangas, registered in the name of Eden A. Salas, married to Juan S. Salas Jr.
>
> Moreover, [Aguila] submitted original copy of Certification issued by Ms. Erlinda A. Dasal, Municipal Assessor of Nasugbu, Batangas, certifying that [Aguila] has no real property (land and improvement) listed in the Assessment Roll for taxation purposes, as of September 17, 2008. Such evidence, in the absence of proof to the contrary, has the presumption of regularity. x x x.
>
> Suffice it to say that such real properties are existing and registered in the name of [Aguila], certified true copies thereof should have been the ones submitted to this Court. Moreover, there is also a presumption that properties registered in the Registry of Deeds are also declared in the Assessment Roll for taxation purposes.[22]

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[20] *Id*.

[21] Rules of Court, Rule 133, Sec. 1.

[22] *Rollo,* pp. 85-86.

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On the other hand, Aguila proved that the Discovered Properties were acquired by Salas during their marriage. Both the RTC and the CA agreed that the Discovered Properties registered in Salas' name were acquired during his marriage with Aguila. The TCTs of the Discovered Properties were entered on 2 July 1999 and 29 September 2003, or during the validity of Salas and Aguila's marriage. In *Villanueva v. Court of Appeals*,[23] we held that the question of whether the properties were acquired during the marriage is a factual issue. Factual findings of the RTC, particularly if affirmed by the CA, are binding on us, except under compelling circumstances not present in this case.[24]

On Salas' allegation that he was not accorded due process for failing to attend the hearing of Aguila's manifestation, we find the allegation untenable. The essence of due process is opportunity to be heard. We hold that Salas was given such opportunity when he filed his opposition to the manifestation, submitted evidence and filed his appeal.

On both Salas and Rubina's contention that Rubina owns the Discovered Properties, we likewise find the contention unmeritorious. The TCTs state that "Juan S. Salas, married to Rubina C. Salas" is the registered owner of the Discovered Properties. A Torrens title is generally a conclusive evidence of the ownership of the land referred to, because there is a strong presumption that it is valid and regularly issued.[25] The phrase "married to" is merely descriptive of the civil status of the registered owner.[26] Furthermore, Salas did not initially dispute the ownership of the Discovered Properties in his opposition to the manifestation. It was only when Rubina intervened that

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[23] 471 Phil. 394 (2004).

[24] *Land Bank of the Philippines v. Poblete*, G.R. No. 196577, 25 February 2013, 691 SCRA 613 citing *Montecillo v. Reynes*, 434 Phil. 456 (2002).

[25] *Rodriguez v. Court of Appeals*, G.R. No. 184589, 13 June 2013.

[26] *De Leon v. Rehabilitation Finance Corp.*, 146 Phil. 862 (1970) citing *Litam v. Espiritu*, 100 Phil. 364 (1956).

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Salas supported Rubina's statement that she owns the Discovered Properties.

Considering that Rubina failed to prove her title or her legal interest in the Discovered Properties, she has no right to intervene in this case. The Rules of Court provide that only "a person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof may, with leave of court, be allowed to intervene in the action."[27]

In *Diño v. Diño*,[28] we held that Article 147 of the Family Code applies to the union of parties who are legally capacitated and not barred by any impediment to contract marriage, but whose marriage is nonetheless declared void under Article 36 of the Family Code, as in this case. Article 147 of the Family Code provides:

> 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 by 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.
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> Neither party can encumber or dispose by acts *inter vivos* of his or her share in the property acquired during cohabitation and owned in

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[27] Rules of Court, Rule 19, Sec. 1.

[28] G.R. No. 178044, 19 January 2011, 640 SCRA 178 citing *Mercado-Fehr v. Bruno Fehr*, 460 Phil. 445 (2003).

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common, without the consent of the other, until after the termination of their 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 of or 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. (Emphasis supplied)

Under this property regime, property acquired during the marriage is *prima facie* presumed to have been obtained through the couple's joint efforts and governed by the rules on co-ownership.[29] In the present case, Salas did not rebut this presumption. In a similar case where the ground for nullity of marriage was also psychological incapacity, we held that the properties acquired during the union of the parties, as found by both the RTC and the CA, would be governed by co-ownership.[30] Accordingly, the partition of the Discovered Properties as ordered by the RTC and the CA should be sustained, but on the basis of co-ownership and not on the regime of conjugal partnership of gains.

WHEREFORE, we **DENY** the petition. We **AFFIRM** the Decision dated 16 March 2012 and the Resolution dated 28 June 2012 of the Court of Appeals in CA-G.R. CV No. 95322.

SO ORDERED.

Brion, del Castillo, Perez, and *Perlas-Bernabe, JJ.,* concur.

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[29] *Valdes v. RTC, Branch 102, Quezon City,* 328 Phil. 1289 (1996).

[30] *Buenaventura v. Court of Appeals,* 494 Phil. 264 (2005).