Supreme Court E-Library

FIRST DIVISION

[G.R. No. 142441. November 10, 2004]

PEDRO BONGALON now substituted by FILIPINA BONGALON, *petitioner, vs.* **COURT OF APPEALS, CECILIO BONGALON and AMPARO BONGALON,** *respondents.*

SYNOPSIS

Rosalia Buenaflor, the owner of the subject lot, and her husband Cornelio Bongalon, had five children, namely: Cirila, Trinidad, Jacoba, Emilio and Benito. Petitioner Pedro, respondents Cecilio and Amparo and four others, are the children of the late Cirila. Jacoba had three children, namely: Conchita, Catalina and Leonardo. Emilio also had three children, namely: Teodora, Francisca and Maxima. Jacoba and Emilio predeceased their children. Sometime in 1943, Trinidad, Conchita and Teodora executed a Deed of Absolute Sale conveying to Cirila a part of the subject lot. On the same date, Cirila, and again Trinidad, Conchita and Teodora, executed a Deed of Absolute Sale conveying to Pedro a part of the subject lot. In 1971, Cirila executed another Deed of Absolute Sale conveying a portion thereof to Amparo. Meanwhile, Pedro executed an Extrajudicial Settlement of Estate declaring that Cirila is the only heir of Rosalia and that he (Pedro) is, in turn, the only heir of Cirila. Consequently, Pedro obtained a Transfer Certificate of Title (TCT) issued in his name. Subsequently, Pedro sued respondents for quieting of title, recovery of portion of the property and damages, for which he obtained a favorable judgment. On appeal, the Court of Appeals reversed the decision. It subsequently denied Pedro's motion for reconsideration. Hence, this petition.

The Supreme Court granted the petitioner in part and set aside the assailed decision of the CA. It ruled that Pedro's interest in the subject lot covers only the undivided shares of Cirila, Trinidad, Teodora and Conchita. Thus, he did not acquire ownership of the entire lot. While each co-owner has full ownership of his part and may alienate it, the alienation affects only the portion which pertains to him in the division upon the termination of the co-ownership.

Supreme Court E-Library

Thus, the Court annulled the Extrajudicial Settlement executed by Pedro and cancelled the TCT issued in his name and restored the title in the name of Rosalia Buenaflor.

SYLLABUS

1. **CIVIL LAW; WILLS AND SUCCESSION; *INTESTATE SUCCESSION*; A WIFE'S PARAPHERNAL PROPERTY PASSES TO HER SURVIVING SPOUSE AND CHILDREN UPON HER DEATH; CASE AT BAR.**— There is no dispute that Lot No. 525-A was Rosalia's paraphernal property. Thus, when Rosalia died intestate, she passed on this piece of property to her surviving spouse Cornelio and their five children, namely, Cirila, Trinidad, Jacoba, Emilio, and Benito. These heirs inherited Lot No. 525-A in co-ownership, at 1/6 undivided share each. After Cornelio died, his 1/6 undivided share passed to his surviving five children *per stirpes,* thus increasing their undivided shares to 1/5 each. The 1/5 undivided share of Jacoba, who apparently predeceased her children Conchita, Catalina, and Leonardo, passed to Jacoba's children as co-owners in equal shares. Likewise, the undivided 1/5 share of Emilio, who also apparently predeceased his children Teodora, Francisca, and Maxima, passed to Emilio's children as co-owners in equal shares. Under Exhibit 2, Trinidad, Teodora, and Conchita sold to Cirila "a part" of Lot No. 525-A on 26 July 1943. Since these co-owners could alienate their undivided shares, they sold under Exhibit 2 their undivided shares in Lot No. 525-A to Cirila. Similarly, on the same day, Cirila (and again Trinidad, Teodora, and Conchita), executed Exhibit B conveying to Pedro Bongalon a "part of" Lot No. 525-A. Thus, Cirila sold to Pedro Bongalon her original 1/5 share and the combined undivided shares of Trinidad, Teodora and Conchita she earlier acquired under Exhibit 2. The participation of Trinidad, Teodora and Conchita in Exhibit B, while superfluous (as they had earlier sold their undivided shares to Cirila), does not detract from the validity of Exhibit B. In sum, Pedro Bongalon's interest in Lot No. 525-A covers only the undivided shares of Cirila, Trinidad, Teodora, and Conchita.

2. **ID.; PROPERTY; CO-OWNERSHIP; A CO-OWNER HAS FULL OWNERSHIP OF HIS PART AND MAY ALIENATE IT BUT THE ALIENATION AFFECTS ONLY THE PORTION WHICH PERTAINS TO HIM IN THE DIVISION UPON THE TERMINATION OF THE CO-OWNERSHIP.**— While each co-

Supreme Court E-Library

owner has full ownership of his part and may alienate it, the alienation affects only the portion which pertains to him in the division upon the termination of the co-ownership.

3. ID.; ID.; OWNERSHIP; QUIETING OF TITLE; A CLOUD ON TITLE TO REAL PROPERTY OR ANY INTEREST THEREIN, DEFINED.— A cloud on title to real property or any interest therein is "any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title."

4. ID.; ID.; ID.; ID.; PROSPERS WHEN THE PLAINTIFF HAS LEGAL OR EQUITABLE TITLE OR INTEREST IN THE REAL PROPERTY WHICH IS THE SUBJECT OF THE ACTION; CASE AT BAR.— The cancellation of the Extrajudicial Settlement and TCT No. T-67780 does not deprive Pedro Bongalon or his heirs of the right to maintain this action for quieting of title. Under Article 477 of the Civil Code, it is sufficient that the plaintiff has legal or equitable title to or interest in the real property which is the subject matter of the action. Pedro Bongalon's acquisition of the shares of Cirila, Trinidad, Conchita, and Teodora vested him with the necessary legal interest over Lot No. 525-A.

APPEARANCES OF COUNSEL

Madrilejos & Rosana Law Office for petitioners.
Jesus C. Sarte for respondents.

D E C I S I O N

CARPIO, *J.*:

The Case

This is a petition for review[1] of the Decision[2] dated 27 November 1992 of the Court of Appeals and its Resolution

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

[2] Penned by Associate Justice Jainal D. Rasul with Associate Justices Emeterio C. Cui and Segundino G. Chua concurring.

Supreme Court E-Library

dated 23 February 2000. The 27 November 1992 Decision reversed the Decision[3] dated 28 June 1991 of the Regional Trial Court, Branch 17, Tabaco, Albay ("RTC") while the 23 February 2000 Resolution denied the motion for reconsideration.

The Facts

Pedro Bongalon, the late husband of petitioner Filipina Bongalon ("petitioner"), respondents Cecilio Bongalon ("Cecilio") and Amparo Bongalon ("Amparo") and four[4] others are the children of the late Cirila Bonga (*sic*) ("Cirila") and Bernabe Bongalon ("Bernabe"). Cirila is one of the five children of Rosalia Buenaflor ("Rosalia") and Cornelio Bonga (*sic*) ("Cornelio"). The other children of Rosalia and Cornelio are Trinidad Bonga (*sic*) Bobier ("Trinidad"), Jacoba Bonga (*sic*) Faustino ("Jacoba"), Emilio Bonga (*sic*) ("Emilio") and Benito Bonga (*sic*) ("Benito"). Jacoba had three children, namely, Conchita Faustino Base ("Conchita"), Catalina Faustino Conlo ("Catalina"), and Leonardo Faustino ("Leonardo"). Emilio also had three children, namely, Teodora Bonga Bien (*sic*) ("Teodora"), Francisca Bonga (*sic*) Camba ("Francisca"), and Maxima Bonga (*sic*) Diaz ("Maxima"). It appears that Jacoba and Emilio predeceased their children.[5]

Rosalia was the owner of Lot No. 525-A in A. A. Berces St., Tabaco, Albay measuring 149 square meters and covered by Original Certificate of Title No. RO-17402 (23825) ("OCT No. RO-17402") issued in her name. OCT No. RO-17402 was later cancelled and replaced by Transfer Certificate of Title No. T-67656 ("TCT No. T-67656") also issued in Rosalia's name.[6] Rosalia died intestate in 1940, survived by her husband and five children.

---

[3] Penned by Judge Milagros JB. Marcaida.

[4] Eleuteria, Jose, Gloria and Anastacio, all surnamed Bongalon.

[5] The records do not indicate the names of the spouses of Jacoba and Emilio or whether they predeceased the latter.

[6] Records, p. 160.

Supreme Court E-Library

On 26 July 1943, Trinidad, Conchita, and Teodora executed a Deed of Absolute Sale ("Exhibit 2")[7] conveying to Cirila "a part of" Lot No. 525-A for ₱100. On the same day, Cirila, and again Trinidad, Conchita, and Teodora, executed a Deed of Absolute Sale ("Exhibit B")[8] conveying to Pedro Bongalon "a

---

[7] *Ibid.*, p. 154. Exhibit 2 reads:

KNOW ALL MEN BY THESE PRESENTS:

That we, Trinidad Bonga, (*sic*) of legal age, married to Bernardino Bobier, Conchita Faustino, of legal age, married to Andres Bose, Teodora Bonga, (*sic*) of legal age, married to Eugenio Bien, all filipino citizens and with Residence and Postal Address at the Municipality of Tabaco, Province of Albay, for and in consideration of the sum of One Hundred Pesos (₱100.00), Present Currency, to us in hand paid and receipt hereof is hereby acknowledged, by Cerila Bonga (*sic*), of legal age, married to Bernabe Bongalon, filipina, and with Residence and Postal Address at the Municipality of Tabaco, Province of Albay, with the knowledge and consent of our respective husbands, do hereby SELL, TRANSFER, AND CONVEY; unto the said Cerila Bonga (*sic*), her heirs and assign, *a part* of that certain residential lot which we inherited from our deceased mother and grandmother, respectively, and now, belonging to us and in our present possession, more particularly bounded and described as follows:

A parcel of Residential Lot (Lot No. 525, of the Cad. Survey of Tabaco), situated in Taylor Street, Tabaco, Albay, containing an area of one hundred forty-nine (149) square meters, more or less; Bounded on the N. by Taylor Street; on the E. by Cristina Barcebal; on the S. by Felix Berces Jr.; and on the W. by Alfonsa Centura. Covered by Original Certificate of Title No. 23825, issued by the Register of Deeds of the Province of Albay.

That we do hereby covenant and agree with the vendee, Cerila Bonga (*sic*), that we are lawfully seized in fee of the said premises, that it is free from all liens and encumbrances, that we have the perfect right to convey the same, and that we warrant and forever defend the same unto the said Cerila Bonga (*sic*), her heirs and assigns, against the lawfull (*sic*) claims of all persons whomsoever.

In WITNESS WHEREOF, we have hereunto signed this presents, this 26th day of July, 1943, in the Municipality of Tabaco, Province of Albay. (Italicized portion was inserted in writing in the original)

[8] *Ibid.*, p. 133. Exhibit B (incorrectly marked as "Annex B") reads:

KNOW ALL MEN BY THESE PRESENTS:

That we, Cerila Bonga (sic), of legal age, married to Bernabe B. Bongalon, Trinidad Bonga, (*sic*)of legal age, married to Bernardino Bobier,

Supreme Court E-Library

part of" Lot No. 525-A also for ₱100. The same notary public notarized both deeds of sale on that same day. On 22 February 1971, Cirila executed another Deed of Absolute Sale ("22 February 1971 Deed of Sale")[9] conveying Lot No. 525-A to

---

Conchita Faustino, of legal age, married to Andres Bose (*sic*), Teodora Bonga, (*sic*) of legal age, married to Eugenio Bien, all filipino citizens and with Residence and Postal Address at the Municipality of Tabaco, Province of Albay, for and in consideration of the sum of One Hundred Pesos (₱100.00), Present Currency, to us in hand paid and receipt hereof is hereby acknowledged, by Pedro Bongalon, of legal age, single, son of Cerila Bonga (*sic*), filipino, and with Residence and Postal Address at the Municipality of Tabaco, Province of Albay, with the knowledge and consent of our respective husbands, do hereby SELL, TRANSFER, AND CONVEY, under the said Pedro Bongalon his heirs and assigns, *a part* of that certain residential lot which we inherited from our deceased mother and grandmother, respectively, and now, belonging to us and in our present possession, more particularly bounded and described as follows:

A parcel of Residential Lot (Lot No. 525, of the Cad. Survey of Tabaco), situated in Taylor Street, Tabaco, Albay, containing an area of one hundred forty-nine (149) square meters, more or less; Bounded on the N. by Taylor Street; on the E. by Cristina Barcebal; on the S. by Felix Berces, Jr., and on the W. by Alfonsa Centura. Covered by Original Certificate of Title No. 23825, issued by the Register of Deeds of the Province of Albay.

That we do hereby covenant and agree with the vendee, Pedro Bongalon, that we are lawfully seized in fee of the said premises, that it is free from all liens and encumbrances, that we have the perfect right to convey the same, and that we warrant and forever defend the same unto the said Pedro Bongalon, his heirs and assigns, against the lawfull claims of all persons whomsoever.

In WITNESS WHEREOF (*sic*), we have hereunto signed this presents, this 26th day of July, 1943, in the Municipality of Tabaco, Province of Albay. (Italicized portion was inserted in writing in the original)

[9] *Ibid.*, p. 153. The 22 February 1971 Deed of Sale reads:

KNOW ALL MEN BY THESE PRESENTS:

That I, CIRILA BONGA, (*sic*) of legal age, widow, filipino citizen, and with residence of and with postal address at Legaspi Street, Municipality of Tabaco, Province of Albay, for and in consideration of [the] sum of FOUR THOUSAND AND FIVE HUNDRED PESOS (₱4,500.00), in Philippine Currency, paid to me and to my entire satisfaction by AMPARO BONGALON

Supreme Court E-Library

Amparo for P4,500. Amparo subsequently declared Lot No. 525-A in her name for tax purposes and paid the real estate taxes in 1977 and 1978. Even before the execution of the 22 February 1971 Deed of Sale, Amparo and her family were already occupying a 32-square meter portion of Lot No. 525-A where her house stands.[10]

CORTEZANO, of legal age, married to MR. ATENOGENES A. CORTEZANO, filipino citizen, and with residence of and with postal address at the Municipality of Tabaco, Province of Albay, do hereby sell, cede, transfer, convey, and from the date of this instrument, I deliver the property, dominion and material possession unto her, her heirs, executors and assigns, that certain portion of residential land, more particularly bounded and described as follows:

"Part of Original Certificate of Title No. 23825 [a] parcel of residential land (part of Lot No. 525 of the Cadastral Survey of Tabaco), situated at Taylor Street, Tabaco, Albay, containing an area of one hundred and forty-nine (149) square meters, more or less; bounded on the North, by Taylor Street; on the East, by Cristina Barcebal; on the South, by Felix Berces Jr.; and on the West, by Alfonsa Centura. Visible boundaries consists (*sic*) of cemented posts. Declared under Tax No. _____, and with an ass'd value of ₱_____. ["]

of which property, VENDOR is the absolute and exclusive owner, the same being a part of her paraphernal properties, free from all liens and incumbrances, further agreeing to forever defend the same against any and all claims by whomsoever, in favor of VENDEE, her heirs, executors and assigns.

That said property is duly registered under Act 496, as evidenced by the aforecited Original Certificate of Title. Article (*sic*) 1623 of the New Civil Code of the Philippines, and the provisions of Republic Act No. 3844, known the (*sic*) Agricultural Land Reform Code, in connection with possible redemptioners thereof, has been complied with.

IN WITNESS WHEREOF, I have hereunto set my hand in the Municipality of Tabaco, Albay, on this 22nd day of February, 1971. (Capitalization and blanks in the original)

[10] Cecilio testified that while he had a house in Lot No. 525-A (where Cirila, Bernabe, and Eleuteria also stayed), he later moved out of it and transferred to Amparo's house after Pedro Bongalon's family moved in his house (TSN, 8 May 1991, pp. 7-10, 17-18).

Supreme Court E-Library

Meanwhile, on 30 January 1979, Pedro Bongalon executed an Extrajudicial Settlement of Estate ("Extrajudicial Settlement") declaring that Cirila is the only heir of Rosalia and that he (Pedro Bongalon) is, in turn, the only heir of Cirila. Based on this Extrajudicial Settlement, Pedro Bongalon secured the cancellation of TCT No. T-67656 and obtained Transfer Certificate of Title No. T-67780 ("TCT No. T-67780") issued in his name.

In March 1988, Pedro Bongalon sued respondents in the RTC for "Quieting of Title, Recovery of Portion of Property and Damages." Pedro Bongalon alleged in his complaint that: (1) he is the registered owner of Lot No. 525-A under TCT No. T-67780; (2) respondents occupied Lot No. 525-A through his tolerance; (3) he had several times asked respondents to vacate Lot No. 525-A but they refused to do so; and (4) respondents' occupancy of Lot No. 525-A and their claim of ownership over the property cast a cloud over his title. Pedro Bongalon prayed that the RTC declare his title free of any cloud and order respondents to vacate Lot No. 525-A and pay him damages and litigation expenses.[11]

In their Answer with Counterclaim, respondents denied Pedro Bongalon's allegations. Respondents claimed that Pedro Bongalon fraudulently obtained TCT No. T-67780 by executing the Extrajudicial Settlement. Amparo claimed that on the contrary, she is the owner of Lot No. 525-A based on the 22 February 1971 Deed of Sale. As counterclaim, respondents sought the nullification of the Extrajudicial Settlement and of TCT No. T-67780. Respondents also prayed for the award of damages and attorney's fees.[12]

During the trial, Pedro Bongalon introduced in evidence other documents to prove his ownership of Lot No. 525-A, such as (1) Exhibit B and (2) Conchita's Affidavit dated 22 May 1978

---

[11] Records, pp. 1-3.

[12] *Ibid.*, pp. 8-10.

Supreme Court E-Library

("Exhibit C")[13] confirming the sale under Exhibit B. The RTC admitted these documents in evidence over the objection of respondents.

For their part, respondents also presented in evidence Exhibit 2 to prove that Cirila owned the entire Lot No. 525-A which she later sold to Amparo in the 22 February 1971 Deed of Sale.

---

[13] *Ibid.*, p. 134. Exhibit C reads:

KNOW ALL MEN BY THESE PRESENTS:

That I, CONCHITA F. BASE, of legal age, widow and presently a resident and with postal address at Sn (*sic*) Juan (Patio), Tabaco, Albay, after having been duly sworn to in accordance with law, depose and state:

That I know personally Pedro Bongalon, being the son of my auntie, Cirila Bonga Bongalon (deceased);

That on or about July 26, 1943, due to the death of my grandfather, Cornelio C. Bonga, (*sic*) my mother Jacoba Bonga (*sic*) Faustino (deceased) thru her children, Conchita Faustino Base, Catalina Faustino Conlo, and Leonardo Faustino; Trinidad Bonga (*sic*) Bobier, daughter of the late Cornelio C. Bonga; (*sic*) [illegible] Bonga (*sic*) (deceased) thru his children, Teodora Bonga (*sic*) Bien, Francisca Bonga (*sic*) Camba, and Maxima Bonga (*sic*) Diaz; Benito Bonga (*sic*) (deceased) thru his children Consuelo Bonga (*sic)* Gonzales and Amado Bonga; (*sic*) sold our respective shares in a parcel of residential lot, more particularly bounded and described as follows:

"A parcel of residential lot (lot No. 525, of the Cad. Survey of Tabaco), situated in Taylor Street, Tabaco, Albay, containing an area of one hundred forty-nine (149) square meters, more or less; Bounded on the N. by Taylor Street; on the E. by Cristina Barcebal; on the S. by Felix Barces, Jr. and on the W. by Alfonsa Centura. Covered by Original Certificate of Title No. 23825, issued by the Register of Deeds of the Province of Albay."

to our cousin, Pedro Bonga Bongalon, as evidenced by an Absolute Deed of Sale, executed before Notary Public, Zosimo R. Almonte, as Doc. No. 2, Page No. 15, Book No. 1, Series of 1943;

That said Pedro Bonga Bongalon as vendee has been in continuous possession and without interruption of the lot since the sale by his mother and our aunties;

That as witness vendor to the sale, I hereby execute this instrument of confirmation freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand this 22[nd] day of May, 1978.

Supreme Court E-Library

Before the RTC could render judgment, Amparo died and her surviving spouse and six children substituted for her.[14]

The Trial Court's Ruling

On 28 June 1991, the RTC rendered judgment ("RTC Decision") the dispositive portion of which provides:

> WHEREFORE, summing up the evidence, oral and documentary, presented by both parties, Judgment is rendered for the plaintiff and against the defendants.
>
> The Court orders, as it is hereby ordered, that the plaintiff is declared the rightful registered owner of the land consisting of One Hundred Forty Nine (149) square meters, more or less, located at A. A. Berces St., Tabaco, Albay, under Transfer Certificate of Title No. T-67780, in the name of Pedro Bongalon, said title is free from defect, flaw and cloud of doubt, therefore, indefeasible.
>
> The defendants are likewise ordered to vacate and to deliver the portion of the land in question they have occupied to the plaintiff peacefully. And to pay the costs proportionately.[15]

The RTC Decision reads:

> From the documentary evidence adduced during the hearing by both parties, it appeared that the real property/land in question was formerly and originally owned by Rosalia Buenaflor, covered by Original Certificate of Title No. [RO-17402 (23825)], then to [T-]67656, then to [T-67780], containing an area of One Hundred Forty Nine (149) square meters, more or less, located at then Taylor Street now A. A. Berces Street, Tabaco, Albay. Rosalia Buenaflor married Cornelio Bonga (*sic*) and begot children, namely: Cirila, Trinidad, Jacoba, Emilio and Benito, all surnamed Bonga (*sic*). Daughter Cirila Bonga (*sic*) got married to Bernabe Bongalon and begot seven (7) children, namely: Pedro, Cecilio, Amparo, Eleuteria and others, all surnamed Bongalon.
>
> On July 26, 1943, two (2) documents were executed over the same parcel of land, this in question (*sic*).

---

[14] *Ibid.*, p. 81. Because of this substitution, petitioner should have impleaded the heirs of Amparo as co-respondents in this petition in lieu of Amparo.

[15] *Ibid.*, p. 179.

Supreme Court E-Library

First document, Exhibit-"2"— defendants, Absolute Deed of Sale was executed and signed by vendors Trinidad Bonga, Conchita Faustino, Teodora Bonga, (*sic*) heirs and children of Rosalia Buenaflor Bonga, (*sic*) [conveying] a part of the property in question x x x in favor of vendee Cirila Bonga x x x Said Absolute Deed of Sale was notarized and acknowledged on July 26, 1943 by a notary public and entered as Doc. No. 2, Page 15, Book No. 1, Series of 1943.

Second document, Exhibit-"B" — plaintiff, Absolute Deed of Sale was executed and signed by vendors Trinidad Bonga, (*sic*) Cirila Bonga, (*sic*) Conchita B. Faustino (sic) and Teodora Bonga, (*sic*)heirs and children of Rosalia Buenaflor Bonga, (*sic*) [conveying] a part of the property in question in favor of vendee Pedro Bongalon (son of Cirila Bonga (*sic*) Bongalon), x x x Said document was notarized and acknowledged on July 26, 1943 by a Notary Public and entered as Doc. No. 2, Page No. 15, Book No. 1, Series of 1943.

The Exhibit-"2" for the defendants and the Exhibit-"B" for the plaintiff, contained a handwritten insertion, to wit, "a part of" and initialled, which is unclear, found in the first paragraph, later portion. Both documents are (*sic*) prepared/executed/signed by the same persons/signatories, acknowledged and notarized by the same Notary Public, Zosimo R. Almonte. Both documents, Absolute Deed of Sale, printed and expressed particular same boundaries and description of the whole area which is One Hundred Forty Nine (149) square meters, more or less, but did not contain expressly the part/portion of said property [sold].

Circumstances surrounding the execution of these two (2) documents is concluded (*sic*) and construed that Exhibit-"B" for the plaintiff has to be given weight and effect. This, the entire area of 149 square meters, more or less, is the subject of the sale as Cirila Bonga (*sic*) is now one of the four (4) vendors. Each vendor shared or owned at least 37 square meters and 25 centimeters of this land in question, to be candid and clear.

In possession of the Deed of Absolute Sale, vendee Pedro Bongalon applied, processed and managed to have the ownership of said property transferred in his name by submitting an Affidavit of Confirmation, by Conchita F. Base, one of the vendors, dated May 22, 1978 duly subscribed and sworn to by Notary Public Julian C. Cargullo, entered as Doc. No. 92, Page No. 21, Book No. VII, Series of 1978 and an Extrajudicial Settlement of Estate, this is a requirement. Finally, Transfer Certificate of Title No. T-67780 in the name of Pedro Bongalon was issued on [January] 25, 1985. This is an indefeasible title of ownership in favor of the plaintiff.

Supreme Court E-Library

On February 22, 1971, again Cirila Bonga, vendor again (*sic*), executed and signed another Deed of Absolute Sale, Exhibit-"1"for the defendants, in favor of Amparo Bongalon Cortezano, vendee, married to Atenogenes A. Cortezano of the same entire parcel of land in question of 149 square meters, more or less, acknowledged and notarized by Notary Public Joel C. Atadero, entered as Doc. No. 1031, Page No. 77, Book No. VII, Series of 1971. By virtue of this instrument, Cortezano, Amparo procured Tax Declaration No. 0020 in her name declaring the entire 149 square meters for taxation purposes for the year 1985 in her name and where a 32 square meters of a house (*sic)* is constructed thereon.

Exhibit-"1" for the defendants, Deed of Absolute Sale by vendor Cirila Bonga (sic) to the latter's daughter vendee Amparo Bonga (sic) Cortezano is defective having a flaw or cloud in the rights of an owner. She, Cirila Bonga, (sic) is not the only owner of said land. Previously on July 26, 1943 said parcel of land was a subject of Absolute Deed of Sale in favor of Pedro Bongalon, the brother of vendee of Exhibit-"1" Amparo Bongalon Cortezano, by the rightful owners/vendors of the land in question.

Yet it can be argued that the plaintiff's Extrajudicial Settlement of Estate is a defect, a minor one, but what is controlling is Exhibit-"B", Absolute Deed of Sale in his favor dated July 26, 1943, and the Affidavit of Confirmation of Conchita F. Base.

x x x x x x x x x

Considering the evidence, and with careful perusal of the same adduced by both parties at the hearing, the Court honestly believes, so holds and is of the strong opinion, that the plaintiff's cause of action is sufficiently impressed with merit supporting his claim of possession, as well as ownership of the land.[16]

Respondents appealed to the Court of Appeals.

The Court of Appeals' Ruling

In its 27 November 1992 Decision, the Court of Appeals reversed the RTC Decision. The Court of Appeals held:

PREDICATED on the evidence and the law in point, the appeal in this case is sufficiently impressed with merit.

---

[16] Records, pp. 176-179.

Supreme Court E-Library

IN THE FIRST PLACE, the basis of the complaint filed by the plaintiff-appellee is that he acquired the property in question by inheritance from his predecessors-in-interest and not by purchase. This fact is shown by the Annotation x x x of the Extrajudicial Settlement of Estate x x x which was the supporting document that authorized the cancellation of TCT No. T-67656 x x x in the name of the original registered owner Rosalia Buenaflor and the issuance of TCT No. T-67780 in favor of and in the name of plaintiff-appellee Pedro Bongalon. In other words, the Extrajudicial Settlement of Estate (which is by inheritance) is the basis of both the complaint and the transfer of the certificate of title from the original owner to the plaintiff-appellee.

SECONDLY, in the trial of the case, what was introduced in evidence were the Deed of Absolute Sale (*Exhibit "B"*) and the Affidavit of Confirmation (*Exhibit "C"*), though these were never alleged in the complaint. What was alleged in the complaint was the Extrajudicial Settlement of Estate x x x or the mode of inheritance (*sic*). That is why, the defendants-appellants' counsel vigorously objected of (*sic*) the admission of Exhibit "B" and Exhibit "C" on the ground that no evidence can be introduced in support of allegation not found in the pleadings x x x Consequently, the trial court should not have admitted Exhibits "B" and "C" as part of the evidence.

THIRDLY, the only ground upon which plaintiff-appellee can base his stand is the Deed of Absolute Sale (Exh. "B") and the Deed of Confirmation (*Exh. "C"*) after suppressing the presentation and submission of x x x the Extrajudicial Settlement of Estate. Since Exhibit "B" and Exhibit "C" should not have been considered or admitted because the same were not alleged in the complaint x x x, the only remaining issue is TCT No. T-67780.

FOURTHLY, plaintiff-appellee Pedro Bongalon, as already stated, executed the Extrajudicial Settlement of Estate x x x falsely alleging that the original registered owner Rosalia Buenaflor and husband were survived by their only daughter Cirila Bonga Bongalon, mother of the plaintiff-appellee, when in fact Cirila Bonga Bongalon was survived by her seven (7) children namely: Amparo, Cecilio, Eleuterio (*sic*), Jose, Gloria, Anastacio and Pedro. The first two names are the defendants-appellants and the last one is the plaintiff-appellee. Consequently, the Extrajudicial Settlement of Estate is tainted with fraud, brazen lies and grave misrepresentation which the lower court recognized as a defect, though a minor one, in view of Exhibit "B" and Exhibit "C".

Supreme Court E-Library

It is inevitable that the trial court should have correctly nullified TCT No. T-67780 on the aforecited grounds. For well-settled is the rule that when a party resorts to falsehood to advance his suit, it is presumed that he knows perfectly well that his cause is groundless and this presumption affects the whole mass of evidence presented by such party x x x

AFTER a careful review of the entire evidence, We perceive no difficulties in sustaining the validity of defendants-appellants' claim or posture.

ACCORDINGLY, in the light of the foregoing disquisitions, the decision of the Court *a quo* is hereby REVERSED and SET ASIDE and a new one is rendered dismissing the case, with costs against the plaintiff-appellee.[17] (Capitalization and italics in the original)

Pedro Bongalon sought reconsideration but the Court of Appeals denied his motion in its 23 February 2000 Resolution.[18]

Hence, this petition.[19]

The Issues

Petitioner raises the following issues for resolution:

I. WHETHER THE COURT OF APPEALS GRAVELY ERRED IN REVERSING THE DECISION OF THE TRIAL COURT;

II. WHETHER THE DECISION OF THE COURT OF APPEALS IS IN ACCORD WITH THE FACTS, EVIDENCE AND THE PERTINENT LAWS, PARTICULARLY THE PROVISIONS OF THE CIVIL CODE ON SALE, POSSESSION AND OWNERSHIP.[20]

In their Comment, Cecilio and the heirs of Amparo reiterate their prayer to nullify TCT No. T-67780 and the Extrajudicial Settlement.

---

[17] *Rollo*, pp. 44-45.

[18] Pedro Bongalon died before the filing of this petition and petitioner substituted for him.

[19] *Rollo*, pp. 10-17.

[20] *Ibid.*, p. 13.

Supreme Court E-Library

The Ruling of the Court

The petition is partly meritorious.

On the Admissibility of Exhibits B and C

It was error for the Court of Appeals to rule that the RTC should not have admitted in evidence Exhibits B and C because Pedro Bongalon failed to allege these documents in his complaint. What was at issue before the RTC, as raised in the pleadings filed by the parties, was the ownership of Lot No. 525-A. Pedro Bongalon offered the pieces of evidence in question to support his claim of ownership over Lot No. 525-A. The fact that Pedro Bongalon did not mention Exhibits B and C in his complaint is not a reason to rule them inadmissible. While TCT No. T-67780 was Pedro Bongalon's principal proof of ownership, it did not preclude him from presenting other pieces of evidence to prove his claim. This is especially relevant because of his testimony that he executed the Extrajudicial Settlement only because the Register of Deeds of Albay required it for the issuance of TCT No. T-67780.[21]

The Basis and Extent of Pedro Bongalon's Interest in Lot No. 525-A

There is no dispute that Lot No. 525-A was Rosalia's paraphernal property. Thus, when Rosalia died intestate, she passed on this piece of property to her surviving spouse Cornelio and their five children, namely, Cirila, Trinidad, Jacoba, Emilio, and Benito. These heirs inherited Lot No. 525-A in co-ownership, at 1/6 undivided share each.[22] After Cornelio died, his 1/6 undivided share passed to his surviving five children *per stirpes,* thus increasing their undivided shares to 1/5 each. The 1/5 undivided share of Jacoba, who apparently predeceased her children Conchita, Catalina, and Leonardo, passed to Jacoba's children as co-owners in equal shares. Likewise, the undivided 1/5 share of Emilio, who also apparently predeceased his children Teodora, Francisca, and Maxima, passed to Emilio's children as co-owners in equal shares.

---

[21] TSN (Pedro Bongalon), 17 September 1990, pp. 19-21.

[22] Article 996, CIVIL CODE.

Supreme Court E-Library

Under Exhibit 2, Trinidad, Teodora, and Conchita sold to Cirila "a part" of Lot No. 525-A on 26 July 1943.[23] Since these co-owners could alienate their undivided shares,[24] they sold under Exhibit 2 their undivided shares in Lot No. 525-A to Cirila. Similarly, on the same day, Cirila (and again Trinidad, Teodora, and Conchita), executed Exhibit B conveying to Pedro Bongalon a "part of" Lot No. 525-A. Thus, Cirila sold to Pedro Bongalon her original 1/5 share and the combined undivided shares of Trinidad, Teodora and Conchita she earlier acquired under Exhibit 2.[25] The participation of Trinidad, Teodora and Conchita in Exhibit B, while superfluous (as they had earlier sold their undivided shares to Cirila), does not detract from the validity of Exhibit B. In sum, Pedro Bongalon's interest in Lot No. 525-A covers only the undivided shares of Cirila, Trinidad, Teodora, and Conchita.

Thus, contrary to the RTC Decision, Pedro Bongalon did not acquire ownership of the entire Lot No. 525-A under Exhibit B. As the other co-owners, namely, the heirs of Benito Bongalon, and the other children of Jacoba (Catalina and Leonardo) and Emilio (Francisca and Maxima) did not sign either Exhibit B or Exhibit 2, they remained co-owners of Lot No. 525-A. While each co-owner has full ownership of his part and may alienate it, the alienation affects only the portion which pertains to him in the division upon the termination of the co-ownerzship.[26]

---

[23] Having acquired their respective shares through inheritance, the undivided shares of Trinidad, Conchita, Teodora and Cirila are paraphernal property (*Alvaran v. Marquez*, 11 Phil. 263 [1908]) which they can alienate on their own (Article 493, CIVIL CODE).

[24] Article 493, CIVIL CODE.

[25] While the undivided shares purchased by Cirila under Exhibit 2 presumably form part of her conjugal partnership of gains with Bernabe (having acquired them by onerous title during her marriage), her sale of such shares to Pedro Bongalon in Exhibit B binds the conjugal partnership as Bernabe consented to the sale (Article 172, CIVIL CODE).

[26] Article 493, CIVIL CODE. This provision states: "Each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership."

Supreme Court E-Library

Neither can petitioner invoke Exhibit C to support her claim that Pedro Bongalon owns the entire Lot No. 525-A. Conchita stated in that document that all the children and descendants of Rosalia (except for Cirila)[27] sold their respective undivided shares to Pedro Bongalon under Exhibit B. This statement, however, is obviously false since only Cirila, Trinidad, Teodora and Conchita signed Exhibit B. The other co-owners of Lot No. 525-A who did not affix their signatures in such document did not sell their shares to Pedro Bongalon.

On Whether the 22 February 1971 Deed of Sale Casts a Cloud on Pedro Bongalon's Title

A cloud on title to real property or any interest therein is "any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title."[28] The Court finds that the 22 February 1971 Deed of Sale casts a cloud on Pedro Bongalon's interest over Lot No. 525-A. While apparently valid, the 22 February 1971 Deed of Sale is in fact void and prejudicial to the interest of Pedro Bongalon and his heirs. This document purports to show that Amparo was the owner of such property when in fact she was not. This document is void because at the time of its execution, Cirila had no more interest to sell in Lot No. 525-A because she had sold all her interest in that property to Pedro Bongalon in 1943 under Exhibit B. Thus, Cirila's other children, including Amparo and Cecilio, cannot claim any interest over Lot No. 525-A, either by contract, in the case of Amparo, or by hereditary rights, in the case of Cecilio. Amparo's subsequent declaration of Lot No. 525-A under her name for tax purposes (and her payment of the real estate taxes in 1977 and 1978) did not change her status as a stranger to that property. Cecilio and

---

[27] The name of one of Rosalia's children in Exhibit C is illegible. However, from Exhibit C's enumeration of her children and from the fact that she only had two sons, one of whom (Benito) was named in Exhibit C, it can be inferred that the illegible name refers to Emilio.

[28] Article 476, CIVIL CODE.

Supreme Court E-Library

the heirs of Amparo have no right to remain in Lot No. 525-A much less construct improvements on that property.

On the Validity of the Extrajudicial Settlement and of TCT No. T-67780

Respondents squarely raised in the RTC and in the Court of Appeals the issue of the validity of the Extrajudicial Settlement and of TCT No. T-67780. It was thus incumbent upon these courts to resolve this issue. The RTC failed to do so. On the other hand, the Court of Appeals stated in its 27 November 1992 Decision that the Extrajudicial Settlement contained material misrepresentations which nullified TCT No. T-67780. However, the Court of Appeals inexplicably failed to make a ruling on the status of these two documents in the dispositive portion of its ruling. This is error. Having taken cognizance of an action for quieting of title, both courts should have "adjust[ed] all equities of all the parties to the action and determine[d] the status of all controverted claims to or against the property."[29]

There is no question that Pedro Bongalon falsely stated in the Extrajudicial Settlement that Cirila was the only heir of Rosalia and that he (Pedro Bongalon), in turn, was the sole heir of Cirila. As the Court of Appeals correctly noted, this is not a minor defect but in fact renders the document void. Consequently, TCT No. T-67780, which the Register of Deeds of Albay issued based on the Extrajudicial Settlement, must be cancelled. In ***Ramirez v. CA***,[30] also involving a case for quieting of title, this Court annulled several Transfer Certificates of Title on the ground that they were issued based on void documents.

The cancellation of the Extrajudicial Settlement and TCT No. T-67780 does not deprive Pedro Bongalon or his heirs of the right to maintain this action for quieting of title. Under Article 477 of the Civil Code, it is sufficient that the plaintiff has legal

---

[29] TOLENTINO, *CIVIL CODE OF THE PHILIPPINES*, VOL. II, p. 156 (1992 ed.).

[30] 356 Phil. 1 (1998).

Supreme Court E-Library

or equitable title to or interest in the real property which is the subject matter of the action. Pedro Bongalon's acquisition of the shares of Cirila, Trinidad, Conchita, and Teodora vested him with the necessary legal interest over Lot No. 525-A.

WHEREFORE, we *GRANT* the petition in part. We *SET ASIDE* the Decision dated 27 November 1992 and the Resolution dated 23 February 2000 of the Court of Appeals. We enter a new judgment as follows:

(1) The Deed of Sale dated 22 February 1971 and the Deed of Extrajudicial Settlement dated 30 January 1979 are *ANNULLED*.

(2) Transfer Certificate of Title No. T-67780 is *CANCELLED*. The Register of Deeds of Albay is ordered to restore Transfer Certificate of Title No. T-67656 in the name of Rosalia Buenaflor, without prejudice to the issuance of another Transfer Certificate of Title in the name of Pedro Bongalon and the other co-owners of Lot No. 525-A, namely, Benito Bongalon, Catalina Faustino Conlo, Leonardo Faustino, Francisca Bonga Camba, and Maxima Bonga Diaz.

(3) Respondent Cecilio Bongalon and the heirs of Amparo Bongalon are ordered to vacate Lot No. 525-A and to remove all the improvements they have constructed on Lot No. 525-A.

SO ORDERED.

Davide, Jr., C. J. (Chairman), Quisumbing, Ynares-Santiago, and *Azcuna, JJ.,* concur.