

FIRST DIVISION

[G.R. No. 203948, January 22, 2020]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS, PETITIONER,
VS. LEONOR A. MACABAGDAL, REPRESENTED BY EULOGIA
MACABAGDAL-PASCUAL, RESPONDENT.**

D E C I S I O N

CAGUIOA, J:

Before the Court is a Petition for Review on Certiorari^[1] (Petition) under Rule 45 of the Rules of Court filed by petitioner Republic of the Philippines (petitioner Republic), represented by the Department of Public Works and Highways (DPWH), through the Office of the Solicitor General (OSG), against respondent Leonor A. Macabagdal (respondent Leonor), as represented by Eulogia Macabagdal-Pascual, assailing the Decision^[2] dated May 30, 2012 (assailed Decision) and Resolution^[3] dated September 28, 2012 (assailed Resolution) rendered by the Court of Appeals (CA) in CA-G.R. SP No. 120151.

The Essential Facts and Antecedent Proceedings

As culled from the recital of facts in the assailed Decision, the essential facts and antecedent proceedings are as follows:

x x x [Petitioner Republic, represented by the DPWH,] filed a *Complaint*^[4] dated January 23, 2008, seeking to expropriate a parcel of land located in Barangay Ugong, Valenzuela City [(subject property)]. The expropriation was necessary for the implementation of the C-5 Northern Link Road Project. The title and registered owner of the subject property, however, were not properly identified, although diligent efforts to search the owner were exerted. The [C]omplaint initially impleaded an unidentified owner named in the title as "John Doe YY." [The Complaint was filed before the Regional Trial Court of Valenzuela City, Branch 172 (RTC) and was docketed as Civil Case No. 55-V-08.]

After the trial court directed that the [C]omplaint be published in a newspaper of general circulation, petitioner [Republic] filed a Motion^[5] for issuance of a writ of possession. The trial court issued [an] *Order*,^[6] granting the motion, but holding in abeyance the implementation of the writ until petitioner [Republic] would be able to deposit with the trial court a check representing the 100% zonal value of the property. Upon compliance therewith, the RTC, per *Order* dated March 10, 2009, issued a corresponding writ of possession.

Meanwhile, on October 13, 2008, a certain Atty. Conrado E. Panlaque appeared before the RTC, praying that one Elena A. Macabagdal (Elena,

for brevity) be substituted as party defendant, alleging that she is the real party in interest, being the registered owner of the subject property. Counsel also submitted a copy of a land title [Transfer Certificate of Title (TCT) No. T-125922], registered, in Elena's name.

Petitioner [Republic] then filed a *Motion* to set the case for hearing to enable Elena to substantiate her claim. But on the day of the supposed hearing, neither Elena nor her counsel appeared. Instead, on February 3, 2010, Atty. Ricardo C. Pilares, Jr. [(Atty. Pilares)] filed an *Omnibus Motion for Substitution of Party, Admission of Answer and Hearing*,^[7] averring that Elena already died on May 14, 1997 as shown in her death certificate.^[8] He also prayed that the sole heir, one Leonor A. Macabagdal ([respondent] Leonor, for brevity), represented by Eulogia Macabagdal-Pascual by virtue of a *Special Power of Attorney*,^[9] be substituted in Elena's place. [In the said Omnibus Motion, respondent Leonor informed the RTC that she is the sole heir of her sister Elena as the latter died single intestate without a husband and children.]

On April 16, 2010, Atty. Pilares presented as witnesses Eulogia Macabagdal-Pascual and one Nenita Pascual Ramota, and marked in evidence a copy of a *Deed of Extrajudicial Settlement*^[10] and other pertinent documents, as Exhibit "1" to "Exhibit "13-A," respectively, in support of [respondent] Leonor's claim as the registered owner of the subject property and proof of her ownership. After the completion of the testimonies of both witnesses, Atty. Hermenegildo Dumlao II, counsel for petitioner [Republic], orally manifested that [petitioner Republic's] position with regard to the motion for substitution of party defendant will depend on the certification that will be issued by Project [D]irector Patrick B. Gatan.

In a *Manifestation*^[11] dated April 26, 2010, petitioner [Republic] informed the RTC that the property subject of expropriation is the same as that described in the technical description of TCT No. T-125922, registered in the name of Elena.

In its *Order*^[12] dated July 9, 2010, the RTC, finding that Elena A. Macabagdal really owned the property, named her as party defendant. Due to her death, however, the RTC ordered her to be substituted by [respondent] Leonor, being her sole heir. The dispositive portion of the *Order* dated July 9[,] 2010 reads, (*sic*) as follows:

WHEREFORE, defendant John Doe "YY" is substituted by Elena A. Macabagdal as party defendant in this case. Due to the death of defendant Elena A. Macabagdal on May 14, 1997, she is now substituted by her sole heir, Leonor A. Macabagdal, represented by Eulogia Macabagdal-Pascual as party defendant.

xxx xxx xxx

SO ORDERED.

On August 25, 2010, petitioner [Republic] filed a *Motion for Partial Reconsideration*^[13] arguing that the substitution of [respondent] Leonor was improper as the extrajudicial deed of partition, the evidence for allowing her to be substituted as the sole heir, was neither registered in the Register of Deeds of Valenzuela City nor published in a newspaper of general circulation pursuant to Sec. 1, Rule 74 of the Rules of Court. However, the RTC, in its Order^[14] dated March 16, 2011, denied the motion ratiocinating, as follows:

Section 1, Rule 74 of the Rules of Court is not one of the requirements set forth in substitution of party mentioned in Section 16, Rule 3 of the Rules of Court. It is clearly stated in the Death Certificate of Elena A. Macabagdal that she was single at the time of her death on May 14, 1997 and she did not execute a will and testament during her lifetime. Therefore, in applying Section 16, Rule 3 of the Rules of Court, her only heir is the surviving sister, Leonor A. Macabagdal, represented by Eulogia MacabagdalPascual. Besides, Transfer Certificate of Title No. [T-125922] is admittedly registered exclusively in the name of Elena A. Macabagdal.

Aggrieved, petitioner [Republic] filed [a] petition for certiorari [under Rule 65 of the Rules of Court before the CA (Rule 65 Petition),^[15]] raising the sole issue:

WHETHER OR NOT RESPONDENT JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN ALLOWING RESPONDENT LEONOR A. MACABAGDAL TO SUBSTITUTE ELENA A. MACABAGDAL DESPITE THE FORMER'S FAILURE TO PROVE THAT SHE HAS A LAWFUL RIGHT OVER THE PROPERTY SUBJECT OF THE EXPROPRIATION CASE. x x x

Petitioner [Republic] contends that the. RTC gravely abused its discretion in allowing the substitution of [respondent Leonor] since the only evidence submitted to prove that she is the sole heir is the extrajudicial deed of settlement. Petitioner [Republic] maintains. that the substitution is erroneous as the said deed is unregistered with the Register of Deeds and unpublished in a newspaper of general circulation. Hence, the deed does not bind petitioner [Republic], and [respondent Leonor] may not rightfully claim payment for the expropriation of the property.

On the other hand, [respondent Leonor] argues that [the RTC] did not abuse its discretion, maintaining that the substitution is proper. [Respondent Leonor] insists there are sufficient pertinent documents and papers to support her claim and that petitioner [Republic] acquiesced in to her (*sic*) as the real party-in-interest when it actively participated in the determination of her personality as the sole heir. Thus, petitioner [Republic] is precluded from questioning her as an heir to Elena Macabagdal.

Petitioner [Republic] counters by stating that what has been admitted is only the fact that the property subject of expropriation is the same registered under TCT No. T-125922.^[16]

The Ruling of the CA

In the assailed Decision, the CA denied the Rule 65 Petition for lack of merit.

The dispositive portion of the assailed Decision reads:

WHEREFORE, the instant petition is **DENIED**. The assailed *Orders* dated July 9, 2010 and March 16, 2011 are **AFFIRMED**.

SO ORDERED.^[17]

In the assailed Decision, the CA "found no abuse of discretion, so patent and so gross, committed by the RTC in allowing the substitution of the deceased Elena A. Macabagdal with her sole heir Leonor Macabagdal."^[18]

In upholding the RTC's ruling allowing respondent Leonor to substitute Elena in the expropriation case, the CA explained that petitioner Republic had already admitted that the subject property is registered in the name of Elena and that the latter is the proper party defendant. Hence, "[n]o other party or third person may therefore substitute her other than her legal representative, or an administrator or executor, as the case may be. The death certificate [of Elena] shows that Elena was single at the time of her death, and her only remaining heir is [respondent] Leonor."^[19]

Further, the CA belied petitioner Republic's assertion that the evidence on record, *i.e.*, the Deed of Extrajudicial Settlement, was insufficient in establishing the sole heirship of respondent Leonor due to the said document's non-registration and non-publication. As factually found by the CA, "[c]ontrary to what petitioner [Republic] asserts, the deed of extrajudicial settlement and the notice thereof, were in fact published."^[20]

The CA likewise explained that even if the Deed of Extrajudicial Settlement was indeed unregistered and unpublished, "the immediate effect x x x is that the instrument will not bind the heirs, creditors or other persons who have no notice thereof as to the settlement or partition of the estate stated in a deed. Consequently, said heirs or creditors can still dispute the partition or interpose their claims beyond the two-year period and even after the properties are already distributed among the heirs."^[21]

The CA added that "[t]here is no mention, however, that the instrument cannot be used to prove that one is an heir, save in case of fraud. Petitioner [Republic], therefore, has no basis to question [respondent] Leonor's right as an heir by simply claiming that the instrument is not binding. The non-publication or non-registration [cannot] be used to defeat [respondent] Leonor's right as an heir, specifically, her right to substitute the deceased as in this case."^[22]

Petitioner Republic filed a Motion for Reconsideration^[23] dated June 21, 2012, which was denied by the CA in the assailed Resolution.

Hence, the instant Petition before the Court.

Reiterating the points she made in previous submission, respondent Leonor filed her Comment on the Petition^[24] dated April 14, 2012. Petitioner Republic filed its Reply (Re: Comment on the Petition dated 14 April 2012)^[25] dated November 19, 2013, restating its position that the substitution of respondent Leonor was invalid because "the only evidence relied upon in confirming [respondent Leonor's] sole heirship is a *Deed of Extrajudicial Settlement of Estates of the late Lapaz A. [Macabagdal] and Elena A. Macabagdal dated 21 July 2008* - which ignores Section 1, Rule 74 of the Rules of Court[.]"^[26]