

SECOND DIVISION

[G.R. No. 240199, April 10, 2019]

**SPOUSES ISIDRO R. SALITICO AND CONRADA C. SALITICO
PETITIONERS, VS. HEIRS OF RESURRECCION • MARTINEZ FELIX,
NAMES: LUCIANO, CORAZON AND CONCEPCION, ALL
SURNAMED FELIX, RECARDO P. HERNANDEZ, IN HIS CAPACITY
AS ADMINISTRATOR OF THE ESTATE OF AMANDA H. BURGOS,
AND THE REGISTER OF DEEDS, RESPONDENTS.**

DECISION

CAGUIOA, J:

Before the Court is a Petition for Review on *Certiorari*^[1] (Petition) under Rule 45 of the Rules of Court filed by petitioners Spouses Isidro R. Salitico (Isidro) and Conrada C. Salitico (Conrada) (collectively referred to as the petitioners Sps. Salitico), assailing the Decision^[2] dated October 19, 2017 (assailed Decision) and Resolution^[3] dated June 7, 2018 (assailed Resolution) of the Court of Appeals (CA) Twelfth Division and Special Former Twelfth Division, respectively, in CA-G.R. CV No. 105166.

The Facts and Antecedent Proceedings

As narrated by the CA in the assailed Decision and based on the records of the instant case, the essential facts and antecedent proceedings of the case are as follows:

The instant case stemmed from a Complaint^[4] for Specific Performance with Damages (Complaint) filed on February 15, 2011 by the petitioners Sps. Salitico against the respondents Heirs of Resurreccion Martinez Felix (Resurreccion); names: Luciano, Corazon, and Concepcion, all surnamed Felix (collectively referred to as the respondents heirs); Recaredo P. Hernandez (Recaredo), in his capacity as Administrator of the Estate of Amanda H. Burgos (Amanda); and the Register of Deeds of Bulacan (RD). The case was heard before the Regional Trial Court of Malolos City (RTC), Branch 20 and was docketed as Civil Case No. 73-M-2011.

Amanda is the registered owner of a 1,413-square-meter parcel of land registered in her name under Original Certificate of Title No. (OCT) P-1908, located in Bambang, Bulacan (subject property).

By virtue of a document entitled *Huling Habilin ni Amanda H. Burgos*^[5] dated May 7, 1986 (*Huling Habilin*), the subject property was inherited by the niece of Amanda, Resurreccion, as a devisee. The pertinent provision of the *Huling Habilin* provides:

Sa aking pamangkin nasi RESURRECCION MARTINEZ-FELIX, 'RESY', ay aking inaaboy ang apat (4) na parselang lupang palayan na napapaloob sa mga titulong sumusunod:

x x x x^[6]

Thereafter, Resurreccion, as the new owner of the subject property, executed a document entitled *Bilihang Tuluyan ng Lupa*^[7] dated November 10, 1998, which transferred ownership over the parcel of land in favor of the petitioners Sps. Salitico. The latter then took physical possession of the subject property.

Subsequently, a proceeding for the probate of the was undertaken before the RTC, Branch 22 (Probate Court). Respondent Recaredo was appointed as the executor of the *Huling Habilin*. The latter then filed and presented the *Huling Habilin* before the Probate Court, which approved it on February 6, 2008. The Probate Court likewise issued a Certificate of Allowance on January 12, 2009.

On March 9, 2010, the petitioners Sps. Salitico received a demand letter requiring them to vacate the subject property and surrender possession over it to the respondents heirs. To protect their interest over the subject property, the petitioners Sps. Salitico executed an Affidavit of Adverse Claim dated March 17, 2009, which was however denied registration by the respondent RD on November 3, 2009.

In their Complaint before the RTC, the petitioners Sps. Salitico sought the delivery and return in their favor of the owner's duplicate copy of OCT P-1908 and the execution of the corresponding Deed of Absolute Sale by way of confirming the *Bilihang Tuluyan ng Lupa*. They likewise prayed that OCT P-1908 be cancelled and a new one be issued in their names. Lastly, they also demanded payment of attorney's fees, moral and exemplary damages, and reimbursement for litigation expenses.

On February 11, 2013, the petitioners Sps. Salitico filed their Motion for Summary Judgment,^[8] which was, however, denied by the RTC in its Order^[9] dated June 5, 2013. The petitioners Sps. Salitico filed their Motion for Reconsideration, which was partially granted by the RTC in its Order dated September 18, 2013.^[10] The RTC issued a partial summary judgment in favor of the petitioners Sps. Salitico, ordering the respondent RD to register the petitioners' Affidavit of Adverse Claim dated March 17, 2009. The Pre-Trial of the case was concluded on September 26, 2013. Thereafter, trial ensued.

The Ruling of the RTC

On June 6, 2014, the RTC rendered its Decision^[11] dismissing the Complaint for lack of cause of action. The dispositive portion of the said Decision reads:

WHEREFORE, premises considered the Complaint dated 7 February 2011 is hereby dismissed for lack of cause of action.

SO ORDERED.^[12]

In its Decision, the RTC found that Resurreccion had indeed validly sold the subject property which she inherited from Amanda to the petitioners Sps. Salitico.

Nevertheless, the RTC held that the action filed by the petitioners Sps. Salitico is premature on the ground that it was not shown that the Probate Court had already fully settled the Estate of Amanda, even as it was not disputed that the *Huling Habilin* had already been allowed and certified. Hence, the RTC dismissed the Complaint for the sole reason that the petitioners Sps. Salitico's cause of action had supposedly not yet accrued, as the Estate of Amanda has not yet been fully settled by the Probate Court.

The petitioners Sps. Salitico filed their Motion for Reconsideration, which was denied in the RTC's Order dated May 26, 2015.^[13]

Hence, on June 16, 2015, the petitioners Sps. Salitico filed their Notice of Appeal, which was granted by the RTC on June 18, 2015. The appeal was given due course by the CA.

The Ruling of the CA

In the assailed Decision, the CA dismissed the appeal due to the pendency of the probate proceedings before the Probate Court, citing Rule 75, Section 1 of the Rules of Court, which states that no will shall pass either real or personal estate unless it is proved and allowed in the proper court. The CA also cited Rule 90, Section 1, which states that no distribution shall be allowed until the payment of debts, funeral charges, and expenses of administration, allowance to the widow, and inheritance tax have been made, unless the distributees or any of them give a bond in a sum fixed by the court conditioned on the payment of the said obligations.

The petitioners Sps. Salitico filed their Motion for Reconsideration dated November 9, 2017,^[14] which was denied by the CA in the assailed Resolution.

Hence, this appeal via Petition for Review on Certiorari^[15] under Rule 45 of the Rules of Court. The respondents heirs filed their Comment^[16] dated November 9, 2018.

Issue

Stripped to its core, the Court is asked to rule on whether the CA erred in upholding the RTC's Decision dated June 6, 2014 and Order dated May 26, 2015, which dismissed the petitioners Sps. Salitico's Complaint for Specific Performance due to lack of cause of action.

The Court's Ruling

The instant Petition is partly meritorious.

It is not disputed that by virtue of the decedent Amanda's will, *i.e.*, *Huling Habilin*, Resurreccion inherited the subject property as the designated devisee. The respondents heirs themselves admit that Resurreccion is a testamentary heir of Amanda.^[17]

It is likewise not disputed that Resurreccion sold her interest over the subject property by executing a document entitled *Bilihang Tuluyan ng Lupa* in favor of the

petitioners Sps. Salitico who then proceeded to take physical possession of the subject property. In fact, in the assailed Decision, the CA recognized that the RTC itself had held that "Resurreccion validly sold to [the petitioners Sps. Salitico] all her rights in the [subject property] which she inherited from Amanda H. Burgos as part of her undivided share in the estate of the latter."^[18]

Article 777 of the Civil Code, which is substantive law, states that the rights of the inheritance are transmitted from the moment of the death of the decedent. Article 777 operates at the very moment of the decedent's death meaning that the transmission by succession occurs at the precise moment of death and, therefore, at that precise time, the heir is already legally deemed to have acquired ownership of his/her share in the inheritance, "and not at the time of declaration of heirs, or partition, or distribution."^[19] Thus, there is no legal bar to an heir disposing of his/her hereditary share immediately after such death.^[20] The Court, early on in *Teves de Jakosalem v. Rafols, et al.*,^[21] explained that a sale made by a legal or intestate heir of his share in an inheritance does not interfere with the administration of the estate.

As applied to the instant case, upon the death of Amanda, Resurreccion became the absolute owner of the devised subject property, subject to a resolutory condition that upon settlement of Amanda's Estate, the devise is not declared inofficious or excessive. Hence, there was no legal bar preventing Resurreccion from entering into a contract of sale with the petitioners Sps. Salitico with respect to the former's share or interest over the subject property.

In a contract of sale, the parties' obligations are plain and simple. The law obliges the vendor to transfer the ownership of and to deliver the thing that is the object of sale to the vendee.^[22] Therefore, as a consequence of the valid contract of sale entered into by the parties, Resurreccion had the obligation to deliver the subject property to the petitioners Sps. Salitico. In fact, it is not disputed that the physical delivery of the subject property to the petitioners Sps. Salitico had been done, with the latter immediately entering into possession of the subject property after the execution of the *Bilihang Tuluyan ng Lupa*. Therefore, considering that a valid sale has been entered into in the instant case, there is no reason for the respondents heirs to withhold from the petitioners Sps. Salitico the owner's duplicate copy of OCT P-1908. To reiterate, Resurreccion already sold all of her interest over the subject property to the petitioners Sps. Salitico. Therefore, the respondents heirs have absolutely no rhyme nor reason to continue possessing the owner's duplicate copy of OCT P-1908.

Nevertheless, the existence of a valid sale in the instant case does not necessarily mean that the RD may already be compelled to cancel OCT P-1908 and issue a new title in the name of the petitioners Sps. Salitico.

According to Section 92 of Presidential Decree No. (PD) 1529, otherwise known as the Property Registration Decree, with respect to the transfer of properties subject of testate or intestate proceedings, a new certificate of title in the name of the transferee shall be issued by the Register of Deeds only upon the submission of a certified copy of the partition and distribution, together with the final judgment or order of the court approving the same or otherwise making final distribution,