

FIRST DIVISION

[G.R. No. 213027, January 18, 2017]

ESTATE OF FERDINAND E. MARCOS, PETITIONER, VS. REPUBLIC OF THE PHILIPPINES, RESPONDENT.

[G.R. No. 213253]

IMELDA ROMUALDEZ MARCOS AND IRENE MARCOS ARANETA, PETITIONERS, VS. REPUBLIC OF THE PHILIPPINES,^[1] RESPONDENT.

R E S O L U T I O N

SERENO, C.J.:

Before us are Petitions for Review on *Certiorari*^[2] assailing the Partial Summary Judgment^[3] dated 13 January 2014 and the Resolution^[4] dated 11 June 2014 rendered by the Sandiganbayan, Special Division,^[5] in Civil Case No. 0141. In the assailed Judgment and Resolution, the pieces of jewelry, known as the Malacañang Collection, were labeled as ill-gotten and were consequently forfeited in favor of the Republic.

THE ANTECEDENT FACTS

Civil Case No. 0141 is a forfeiture case entitled *Republic of the Philippines v. Ferdinand E. Marcos, (represented by his Estate/Heirs) and Imelda R. Marcos*. It emanated from the Petition^[6] dated 17 December 1991 (1991 Petition) filed by the Republic through the Presidential Commission on Good Government (PCGG), represented by the Office of the Solicitor General (OSG), pursuant to Republic Act No. (R.A.) 1379^[7] in relation to Executive Order Nos. 1,^[8] 2,^[9] 14^[10] and 14-A.^[11] The 1991 Petition sought the recovery of the assets and properties pertaining to the Marcoses, who acquired them directly or indirectly through, or as a result of, the improper or illegal use of funds or properties owned by the government.^[12] The properties, subject of other pending forfeiture cases before the Sandiganbayan, were excluded; and the properties, subject of the 1991 Petition, were specifically listed and accordingly clustered into 18 categories.^[13]

Some of the properties listed in the 1991 Petition were already adjudged as ill-gotten wealth and consequently forfeited in favor of the government. In *Republic v. Sandiganbayan*^[14] (the Swiss deposits case) the Court *en banc* in 2003 decreed that the deposits in various Swiss banks, referred to in the 1991 Petition under paragraph 9 (18),^[15] were ill-gotten wealth and forfeited in favor of the State.^[16] Likewise, in *Marcos v. Republic*^[17] (the Arelma case), the Court's Second Division in 2012 declared that the funds, properties, and interests of Arelma were also ill-gotten wealth and forfeited in favor of the State.^[18]

The present consolidated petitions emanated from the same Civil Case No. 0141, when the Republic filed a Motion for Partial Summary Judgment^[19] dated 24 June 2009 with respect to another property listed in the 1991 Petition. By way of that motion, the Republic asked the Sandiganbayan to render judgment declaring the pieces of jewelry, known as the Malacañang Collection and specifically mentioned under paragraph 9 (6) of the 1991 Petition, as ill-gotten; and to subsequently cause this collection of jewelry to be declared forfeited in favor of the Republic.^[20] The latter categorized the pieces of jewelry recovered from the Marcoses into three collections and singled out the Malacañang Collection as the object of the motion.^[21] The estimated values thereof were presented also in the motion as follows:

First, the so-called Hawaii Collection x x x mentioned in paragraph 9 (7)^[22] of the x x x forfeiture petition x x x seized by the United States Customs Service and x x x turned over to the Philippine Government. Significantly, a ruling was made by the United States (U.S.) Hawaii District Court on December 18, 1992 that the Republic of the Philippines is entitled to the possession and control of the said collection. (Annex "A")^[23] [The Sandiganbayan] had taken judicial notice of said ruling in its Resolution^[24] dated October 25, 1996.

Second, the **Roumeliotes Collection** x x x referred to as "MIA Jewelry" x x x seized from

Roumeliotes at the Manila International Airport on March 1, 1986. Although not covered by this forfeiture proceeding, respondents earlier sought their inclusion in then pending negotiations for settlement.

Third, the **Malacañang Collection** x x x seized from Malacañang after February 25, 1986 and transferred to the Central Bank on March 1, 1986. As ruled by this Honorable Court in the said resolution (Annex "B"),^[25] this collection is the object of this forfeiture proceeding.

This collection is itemized in ANNEX "C"^[26] hereof.

Based on the 1991 valuation of auction house Christie, Manson and Woods International, Inc., the Roumeliotes, Malacañang and Hawaii collections were worth between US\$5,313.575 (low estimate) to US\$7,112,879 (high estimate), at the time of the filing of the petition. (ANNEX "D")^[27] The value of the Malacañang collection by itself was US\$110,055 (low estimate) to US\$153,089 (high estimate).^[28] (citations supplied)

In support of the motion, the Republic cited the letter^[29] dated 25 May 2009 sent to the PCGG by Imelda Marcos, through counsel, demanding "the immediate return of all her pieces of jewelry (i) taken by PCGG from Malacañang Palace and (ii) those turned over to PCGG by the U.S. Government."^[30] The Republic argued that the letter proved the claim of the Marcoses that they owned the Malacañang Collection, including the Hawaii Collection.^[31] It further argued that in the 1991 Petition, they were deemed to have admitted the allegations regarding the pieces of jewelry.^[32] The Republic said that the words or stock phrases they used in their Answer^[33] dated 18 October 1993 had been declared by this Court in the Swiss deposits case as a "negative pregnant" and, as such, amounted to an admission if not squarely denied.^[34] Finally, it contended that "the lawful income of the Marcoses during their incumbencies as public officials was grossly disproportionate to the value of the pieces of jewelry."^[35] Invoking the declaration of this Court in the Swiss deposits case,^[36] the Republic stated that their lawful income amounting to USD 304,372.43 was grossly disproportionate to the value of the pieces of jewelry in 1991.^[37]

On 3 July 2009, the Republic also filed a Request for Admission^[38] addressed to the Estate of Ferdinand Marcos, Imelda Marcos, Imelda Marcos-Manotoc, and Irene Marcos Araneta. It requested the admission under oath of the truth of the following:

1. That the set of jewelry described as the "Malacañang Collection" subject of this petition and Motion for Partial Summary Judgment dated June 24, 2009 had been acquired during the incumbency of respondents Ferdinand E. Marcos and Imelda R. Marcos as public officials of the Republic of the Philippines, particularly between 1966-1986.
2. That the said "Malacañang Collection" had been acquired from abroad, particularly during respondents' travels to Asia, Europe and the United States.
3. That the acquisition costs of the "Malacañang Collection" more or less corresponds to the values appraised by Christie's in 1998 as summarized in Annex F-2 of the Petition, also Annex D of the Motion for Summary Judgment dated June 24, 2009.
4. That at the time of the recovery of the Collection in Malacañang, the pieces of jewelry were in mint condition, and most of which has never been used by respondents.^[39]

The Republic also submitted a Supplement to Motion for Partial Summary Judgment^[40] dated 14 July 2009. It restated that the object of the motion covered only the Malacañang Collection, as the ownership of the two other collections had been settled by the Sandiganbayan in a Resolution^[41] dated 25 October 1996.^[42] It also attached the Affidavit^[43] of J. Ermin Ernest Louie R. Miguel, director of the legal department of the PCGG, which was the custodian of the official records pertaining to the cases filed for the recovery of the ill-gotten wealth of the Marcoses.^[44] The Affidavit sought to prove the value of the Honolulu/PCGG Collection according to the appraisal^[45] by Christie's at US Customs in Honolulu, Hawaii, on 28 and 29 September 1992; of the Roumeliotes Collection according to the appraisal^[46] by Christie's at the Central Bank in Manila, Philippines, on 7 March 1988; and of the Malacañang Collection according to the appraisal^[47] by Christie's at the Central Bank in Manila, Philippines, on 7 March 1988 and to the much higher acquisition costs indicated in the Invoices^[48] transmitted by Gemsland to Imelda Marcos through Mrs. Gliceria Tantoco.^[49]

Imelda Marcos and Irene Marcos Araneta filed their Manifestation and Preliminary Comments^[50] dated 21

July 2009. They manifested therein that Imelda Marcos had indeed demanded the return of the jewelry to her through a letter^[51] dated 25 May 2009 and that the PCGG had been unlawfully possessing the properties in view of its failure to initiate the proper proceeding or to issue a sequestration or freeze order.^[52] It was further manifested that Imelda Marcos also wrote a letter^[53] dated 28 May 2009 to the Department of Justice (DOJ), which had administrative supervision and control over the PCGG, through DOJ Secretary Raul M. Gonzalez. In turn, he sent a letter^[54] dated 4 June 2009 to the PCGG through Chairperson Camilo M. Sabio ordering the latter to return the jewelry if there was no legal impediment. The PCGG, however, referred the matter to the OSG through Solicitor General Agnes VST Devanadera in a letter^[55] dated 9 June 2009. The OSG replied to the Marcoses' letter^[56] dated 25 May 2009 by way also of a letter^[57] dated 21 July 2009. It said that according to the OSG in its letter^[58] to the PCGG dated 19 June 2009, the former pointed out that the fact the jewelry collection was the subject of an action for forfeiture before the Sandiganbayan was a legal impediment to their return.^[59]

Imelda Marcos and Irene Marcos Araneta then stated that the Republic's Motion for Partial Summary Judgment was filed to justify the possession by the PCGG of the pieces of jewelry, even if these were not part of the forfeiture case - Civil Case No. 0141.^[60] They based their allegations on the pronouncements of the Sandiganbayan in its Resolution^[61] dated 25 October 1996 and Order^[62] dated 19 November 2001 and on the Republic's omission of the collection in the prayer^[63] of the 1991 Petition.^[64]

The Marcoses further stated that the Request for Admission was inconsistent with the Motion for Partial Summary Judgment and the Supplement thereto and further reserved their right to present additional arguments or comments on the Motion and the Supplement.^[65]

Imelda Marcos and Irene Marcos Araneta subsequently filed a Manifestation and Motion to Expunge^[66] dated 25 July 2009. They specifically stated therein that they were adopting the same arguments raised in their Comment,^[67] as well as in their Motion for Reconsideration^[68] dated 5 May 2009, which was filed after the Sandiganbayan Decision^[69] dated 2 April 2009 granting the Motion for Partial Summary Judgment on the Arelma account.^[70]

In their Manifestation and Motion to Expunge, Imelda Marcos and Irene Marcos Araneta claimed that the filing of the Request for Admission was tantamount to an abdication of the earlier position of the Republic that the case was ripe for summary judgment.^[71] They argued that the Request for Admission entertained a possibly genuine issue as to a material fact, which was needed for the grant of the motion for summary judgment.^[72] They further argued that the filing of the Request for Admission was rather late, considering that it was done after the Republic had filed its Motion for Summary Judgment in 2000 and after the case was concluded in 2004.^[73] They then requested that all pleadings, motions and requests filed after the termination of the case in 2004 be expunged.^[74] Pending a resolution of the motion to expunge, they simultaneously asked for additional time to answer the Request for Admission and for permission to conduct an ocular inspection of the subject jewelry, which had been in the Republic's possession for the past 22 years.^[75]

Meanwhile, Ferdinand Marcos Jr. filed a Manifestation^[76] that he was adopting the Manifestation and Motion to Expunge filed by Marcos and Irene Marcos Araneta.^[77]

The Republic filed its Opposition^[78] dated 24 August 2009, in which it said that the Manifestation and Motion to Expunge of Imelda Marcos and Irene Marcos Araneta argued on trivial matters, raised puerile arguments, and failed to refute the contention that the collection was ill-gotten and subject to forfeiture.^[79] It further stated that the Request for Admission did not depart from the legal basis of the Motion for Partial Summary Judgment. Instead, the request merely sought to elicit details regarding the acquisition of the jewelry in order to expedite the resolution of the motion.^[80] The Republic therefore claimed that by operation of law, the failure of the Marcoses to respond resulted in their admission of the matters contained in the request.^[81]

In response to the Marcoses' Manifestation and Preliminary Comments, the Republic likewise filed its Reply^[82] dated 24 August 2009. It insisted that while the Decision dated 2 April 2009 focused on the Arelma assets, it had reservations regarding "other reliefs and remedies as may be just and equitable under the premises."^[83] These reliefs and remedies included the prayer for the forfeiture of the Malacañang Collection as part of the ill-gotten wealth of the Marcoses.^[84] Also, the Republic stated that the Request for Admission was not inconsistent with its Motion for Partial Summary Judgment, and that the filing of the request after

the motion was not prohibited by the Rules of Court.^[85] It stressed that the Request for Admission was filed and served on 3 July 2009.^[86] It said that instead of making an admission or a denial as a timely response to the request within 15 days or until 18 July 2009, the Marcoses filed - and belatedly at that - a Manifestation and Motion to Expunge on 25 July 2009.^[87] Thus, the Republic insisted that all the matters that were the subject of the request be deemed admitted by the Marcoses.^[88]

A Rejoinder^[89] dated 7 September 2009 was filed by the Marcoses who alleged that the demand could not have meant that the collection was part of the case, because the jewelry collection was "trivially mentioned" in the statement of facts of the 1991 petition;^[90] was not specifically prayed for;^[91] was not subject of the case, according to the Sandiganbayan in its Resolution^[92] dated 25 October 1996 and Order^[93] dated 19 November 2001.^[94] They also reiterated that the Request for Admission was inconsistent with the Republic's Motion for Partial Summary Judgment.^[95]

In a Resolution^[96] dated 2 August 2010, the Sandiganbayan denied the Marcoses' Manifestation and Preliminary Comments and Manifestation and Motion to Expunge. It ruled that (1) the proceedings in this case had not been terminated;^[97] (2) in filing their objection, respondents were not deemed to have admitted the matters in the Request for Admission;^[98] and (3) the Republic's Request for Admission was not inconsistent with the Motion for Summary Judgment.^[99] The Sandiganbayan further directed the Marcoses to file and serve within 15 days their sworn answer to the Request for Admission,^[100] but they failed to comply with the directive.^[101]

After the submission of the parties of their respective memoranda,^[102] the Sandiganbayan issued a Partial Summary Judgment^[103] dated 13 January 2014 ruling that (1) the Malacañang Collection was part and subject of the forfeiture petition;^[104] (2) the Motion for Summary Judgment was proper;^[105] and (3) the forfeiture of the Malacañang Collection was justified pursuant to R.A. 1379.^[106]

Motions for Reconsideration were filed by the Estate of Marcos on 29 January 2014^[107] and by Imelda Marcos and Irene Marcos Araneta on 30 January 2014.^[108] The Republic submitted its Consolidated Opposition^[109] dated 25 February 2014, while Replies were submitted by the Estate of Marcos on 12 March 2014^[110] and by Imelda Marcos and Irene Marcos Araneta on 31 March 2014.^[111] The Republic filed its Consolidated Rejoinder^[112] on 23 April 2014.

In a Resolution^[113] dated 11 June 2014, the Sandiganbayan denied the Motions for Reconsideration for being mere rehashes of the arguments of the Marcoses in their Comments and Opposition to the Republic's Motion for Summary Judgment.^[114]

Imelda Marcos and Irene Marcos Araneta received the Resolution denying their Motion for Reconsideration on 24 June 2014.^[115] Within the 15-day period to file a petition, they submitted to this Court a Manifestation with Entry of Appearance and Motion for Extension of Time, asking that they be given until 09 August 2014 to file their petition.^[116] Meanwhile, the Estate of Marcos filed a Motion for Extension of Time on 09 July 2014 and a Manifestation on 8 August 2014, saying that its other executor *in solidum* was no longer filing a separate petition for review, but was adopting that which was filed by Imelda Marcos.^[117]

This Court issued a Resolution^[118] on 17 November 2014 in G.R. No. 213027 granting the Motion for Extension and noting the Manifestation of the Estate of Marcos that the latter was adopting the petition for review filed by Imelda Marcos and Irene Marcos Araneta in G.R. No. 213253. This Court also issued a Resolution^[119] on 17 November 2014 in G.R. No. 213253 noting the Manifestation of Imelda Marcos and Irene Marcos Araneta's counsels, who were seeking the grant of their Motion for an Extension.^[120] This Court thereafter consolidated the petitions.^[121]

THE ISSUES

The issues for this Court's resolution are as follows: (1) whether the Sandiganbayan has jurisdiction over the properties; (2) whether the Malacañang Collection can be the subject of the forfeiture case; (3) whether forfeiture is justified under R.A. 1379; (4) whether the Sandiganbayan correctly ruled that the Motion for Partial Summary Judgment was not inconsistent with the Request for Admission; and (5) whether the Sandiganbayan correctly declared that the forfeiture was not a deprivation of petitioners' right to due process

of law.^[122]

OUR RULING

We find no reversible error in the ruling of the Sandiganbayan.

The Sandiganbayan correctly acquired jurisdiction over the case. The properties are included in the 1991 Petition as found in subparagraph (6) of paragraph (9), which reads:

9. However, the other properties which had been identified so far by both the PCGG and the Solicitor General (excluding those involved in the aforesaid civil cases) are approximated at US\$5-B and which include-

x x x x

(6) Paintings and silverware sold at public auction in the United States worth \$17-M as shown by Annex "F" hereof, aside from the **jewelries**, paintings and other valuable decorative arts **found in Malacañang and in the United States estimated to be about \$23.9-M as listed and described in Annexes "F-1",^[123] "F-2",^[124] "F-2-a"^[125] and "F-3"^[126] hereto attached as integral parts hereof;^[127] (Emphasis supplied)**

The Sandiganbayan correctly noted the Annexes, which were mentioned in subparagraph 6 and made an integral part of the 1991 Petition, itemizing and enumerating the pieces of jewelry with their estimated values. It ultimately found that the 1991 Petition had categorically alleged that the Malacañang Collection was included in the assets, monies and properties sought to be recovered.

With respect to the manner of making allegations in pleadings, the Rules of Court simply provides as follows:

Section 1. In general. - Every pleading shall contain in a methodical and logical form, a plain, concise and direct statement of the ultimate facts on which the party pleading relies for his claim or defense, as the case may be, omitting the statement of mere evidentiary facts. If a defense relied on is based on law, the pertinent provisions thereof and their applicability to him shall be clearly and concisely stated.^[128]

With respect to the determination of whether an initiatory pleading sufficiently states a cause of action, this Court has ruled in this wise:

In determining whether an initiatory pleading states a cause of action, the test is as follows: admitting the truth of the facts alleged, can the court render a valid judgment in accordance with the prayer? To be taken into account are only the material allegations in the complaint; extraneous facts and circumstances or other matters *aliunde* are not considered. The court may consider - in addition to the complaint - the appended annexes or documents, other pleadings of the plaintiff, or admissions in the records.^[129]

The 1991 Petition is compliant with the requirements stated in law and jurisprudence. The sufficiency of its allegations is thus established with respect to the pieces of jewelry. Not only were these listed in paragraph 9 (6)^[130] of that petition as part of the properties subject to forfeiture but these were also itemized in the documents annexed thereto: Annexes "F-1,"^[131] "F- 2,"^[132] "F-2-a,"^[133] and "F-3."^[134] The 1991 Petition is more than enough fulfillment of the requirement provided under Section 3^[135](d) of R.A. 1379.

Meanwhile, the Sandiganbayan correctly held that the forfeiture was justified and that the Malacañang Collection was subject to forfeiture. The legitimate income of the Marcoses had been pegged at USD 304,372.43.^[136] We reiterate what we have already stated initially in *Republic v. Sandiganbayan*,^[137] and subsequently in *Marcos v. Republic*:^[138] that "whenever any public officer or employee has acquired during his incumbency an amount of property which is manifestly out of proportion to his salary as such public officer or employee and to his other lawful income and the income from legitimately acquired property, said property shall be presumed *prima facie* to have been unlawfully acquired."^[139] Petitioners failed to satisfactorily show that the properties were lawfully acquired; hence, the *prima facie* presumption that they were unlawfully acquired prevails.

The Sandiganbayan also properly ruled that there was no inconsistency or incongruity between Republic's Request for Admission and Motion for Partial Summary Judgment. Indeed, we have held that a request for admission can be the basis for the grant of summary judgment. The request can be the basis therefor when its subject is deemed to have been admitted by the party and is requested as a result of that party's failure