

Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

**EDGARDO SANTOS, ZENaida
 SANTOS HERRERA, CORAZON
 SANTOS CANTILERO, ARMANDO
 SANTOS, SONIA SANTOS
 MAGPAYO, CIELITO SANTOS
 BALMEDIANO, EVELYN SANTOS
 NICOLAS, FELIXBERTO SANTOS,
 MARIA BETTINA DIAZ SANTOS,
 REUBEN JOSEPH SANTOS,
 JEROME SANTOS DE GUZMAN,
 AND JERICK SANTOS DE
 GUZMAN,**

G.R. No. 250774

Present:

**GESMUNDO, C.J.,
 Chairperson,
 CAGUIOA,
 CARANDANG,
 ZALAMEDA, and
 GAERLAN, JJ.**

Petitioners,

- versus -

**MARIA D. SANTOS and/or her
 Successors-in-Interest,
 Respondent.**

Promulgated:

JUN 16 2021

X-----X

DECISION

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court (Rules), assailing the Decision² dated May 3, 2019 and the Resolution³ dated November 26, 2019 of the Court of Appeals (CA) in CA-G.R. CV No. 110870.

¹ *Rollo* (G.R. No. 250774), pp. 12-44.

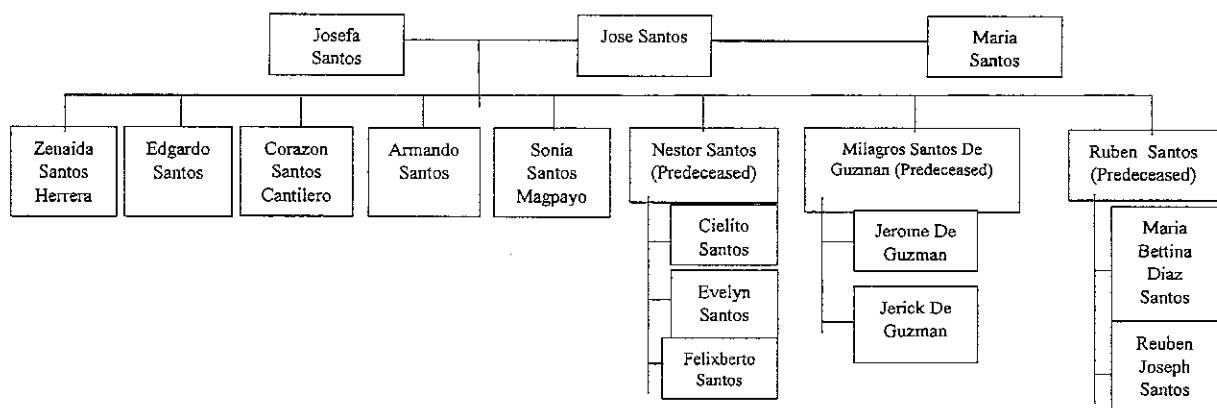
² Penned by Associate Justice Ricardo R. Rosario (now a Member of this Court), with the concurrence Associate Justices Nina G. Antonio-Valenzuela and Perpetua Susana T. Atal-Paño; id. at 49-58.

³ Penned by Associate Justice Ricardo R. Rosario (now a Member of this Court), with the concurrence of Associate Justices Nina G. Antonio-Valenzuela and Perpetua Susana T. Atal-Paño; id. at 59.

Antecedents

Respondent Maria D. Santos (Maria) was 16 years old when she first met Jose Santos (Jose), a rice farmer, who was then married to Josefa Santos (Josefa). No romantic relationship materialized even though they liked each other. Maria married Dominador Mendoza (Dominador) with whom she had seven children. Dominador died on May 6, 1990.⁴

Jose allegedly had eight children with Josefa, namely: Zenaida Santos Herrera (Zenaida); Edgardo Santos (Edgardo); Corazon Santos Cantilero (Corazon); Armando Santos (Armando); Sonia Santos Magpayo (Sonia); Nestor Santos (Nestor); Milagros Santos De Guzman (Milagros) and Ruben Santos (Ruben). Nestor predeceased Jose and is represented by his children, namely: Cielito Santos Balmediano (Cielito); Evelyn Santos Nicolas (Evelyn); and Felixberto Santos (Felixberto). Milagros also predeceased Jose and is represented by her children, Jerome De Guzman (Jerome) and Jerick De Guzman (Jerick). Ruben allegedly died on September 5, 1987 and has two children of his own, namely, Maria Bettina Diaz Santos (Bettina) and Reuben Joseph Santos (Reuben Joseph) who are both living in the United States. Josefa died on November 10, 2000.⁵



Jose got involved in an agricultural tenancy dispute with his landlord, the Gaspar family. In Department of Agrarian Reform Adjudication Board (DARAB) Case No. 5448 entitled Adelaida Gaspar, et al. v. Jose Santos, Jose was granted the right to “peaceful possession of the land cultivated and possessed by him for the past 18 years.” The Decision became final and executory on July 9, 2000.⁶

After Jose’s wife died, he courted Maria. On March 17, 2001, Jose asked Maria to live with him in a small hut on the land he was cultivating in Barangay Poblacion, Bustos, Bulacan owned by the Gaspar Family. On April 25, 2002, Jose and Maria got married against the wishes of Jose’s children. By then, Jose was 77 years old while Maria was 61 years old.⁷

⁴ Id at 50.

⁵ Id. at 102, 111-112.

⁶ Id. at 103.

⁷ Id. at 102.

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On May 28, 2002, the Gaspar family, executed three documents denominated as “Deed of Donation” wherein they gave a total of 6,000 square meters of rice land allegedly as “Disturbance Compensation of Tenant.”⁸ Of the 6,000 square meters given to Jose, he either sold or donated segregated portions of the property. Jose made the following dispositions:

Lot Area (sqm)	Transaction	Date	Transferee
3135	Sale ⁹	July 22, 2004	Zenaida Santos Herrera (Jose’s daughter)
250	Sale ¹⁰	August 14, 2006	Marlon Manuel (Jose’s lawyer)
250	Sale ¹¹	August 14, 2006	Sps. Virgilio C. Manuel and Jovita S. Manuel
250	Sale ¹²	August 14, 2006	Rochelle S. Manuel
250	Sale ¹³	August 14, 2006	Genaro S. Del Rosario
83	Sale ¹⁴	September 25, 2009	Evelyn S. Nicolas (Jose’s granddaughter)
404	Sale ¹⁵	October 17, 2006	Aracely Mendoza and Maribel Mendoza (Maria’s daughters)
300	Sale ¹⁶	October 17, 2006	Sps. Antonio P. Abuan and Lourdes M. Abuan
805	Donation ¹⁷	December 4, 2007	Maria Santos

On December 4, 2007, Jose executed a *Kasulatan ng Pagkakaloob Pala*¹⁸ gratuitously transferring in favor of Maria 805 sqm covered by TCT No. T-242136.¹⁹ The subject portion was further subdivided. As a result, the subject property now has an area of 694 sqm. It is covered by TCT No. 289268 and is registered in the name of “Jose L. Santos, Filipino, of legal age, widower, now married to Maria Santos.”²⁰ He built a concrete house for himself and Maria, a sari-sari store, and other rental concrete structures. Both parties admit in their respective pleadings that while the size of the property donated to Maria was 805 sqm, the actual size of the property left at the time of Jose’s death is only 694 sqm covered by TCT No. 289268.²¹

On June 1, 2010, Jose died without a will. He was survived by Maria and five of his children from his first marriage, namely: Zenaida, Edgardo, Armando, Corazon, and Sonia. His three other alleged children, Nestor,²² Milagros²³ and Ruben, predeceased him. To prove their legitimate filiation,

⁸ Id. at 103, 119-127.
⁹ Id. at 132-134.
¹⁰ Id. at 135-137.
¹¹ Id. at 138-140.
¹² Id. at 141-143.
¹³ Id. at 144-146.
¹⁴ Id. at 147-148, 159-160
¹⁵ Id. at 149.
¹⁶ Id. at 150.
¹⁷ Id. at 157-158, 111.
¹⁸ Id.
¹⁹ Id.
²⁰ Id. at 73.
²¹ Id. at 73-74
²² Records, p. 405.
²³ Id. at 406.

Zenaida,²⁴ Edgardo,²⁵ Armando,²⁶ Corazon,²⁷ and Sonia²⁸ submitted their respective certificates of live birth (COLB) indicating that they are legitimate children of Jose and Josefa. The birth certificates of the children who predeceased their father, Nestor, Milagros, and Ruben, were not presented to prove their relationship to Jose.

After Jose passed away, his surviving children and grandchildren asked Maria to divide the 694 sqm lot into 9 equal portions for distribution to Jose's children and grandchildren from his first marriage and Maria.²⁹ Maria opposed, insisting that she is the sole owner of the subject property by virtue of the *Kasulatan ng Pagkakaloob Pala*. Thus, on September 1, 2010, Edgardo, Zenaida, Armando, Sonia, Corazon, Cielito, Evelyn, Felixberto, Jerick, and Jerome (collectively, Edgardo's group) filed a complaint for Partition, Accounting and Damages against Maria.³⁰

Petitioners alleged in their complaint that Jose and Josefa has an 8th child, Ruben Santos (Ruben) who died on September 5, 1987 and has two children of his own, namely, Bettina Diaz Santos (Bettina) and Reuben Joseph Santos (Reuben Joseph) who are both living in the United States.³¹ On October 17, 2011, petitioners filed a Motion (to allow the two remaining grandchildren and compulsory heirs of the deceased Jose L. Santos as additional party-plaintiffs) to ask the court to implead Bettina and Reuben Joseph in the case. The Motion was granted in an Order³² dated November 16, 2011. Thus, Bettina and Reuben Joseph were impleaded as party-plaintiffs.³³

In her Answer with Compulsory Counterclaims,³⁴ Maria alleged that partition may only be done after collation.³⁵ She argued that until the descendants of Jose from his first family have accounted for the properties they received from him, the case for partition must be dismissed for being premature.³⁶ She also asserted that property acquired during marriage is presumed to be conjugal. For Maria, upon Jose's death, one-half of the property was automatically reserved for her as her share in the conjugal partnership.³⁷ She posited that after collation of all the properties in the estate of Jose, his descendants from his first marriage received more than what they were entitled to.³⁸

²⁴ Id. at 400.
²⁵ Id. at 401.
²⁶ Id. at 403.
²⁷ Id. at 402.
²⁸ Id. at 404.
²⁹ *Rollo* (G.R. No. 250774), p. 89
³⁰ Id. at 83-94.
³¹ Id. at 85.
³² Records, p. 205.
³³ Id.
³⁴ *Rollo* (G.R. No. 250774), pp. 99-108.
³⁵ Id. at 105.
³⁶ Id. at 106.
³⁷ Id.
³⁸ Id. at 107



Edgardo's group filed a Motion for Summary Judgment,³⁹ arguing that there is no genuine issue as to any material fact and that they are entitled to the reliefs prayed for in their complaint.

In an Order⁴⁰ dated April 18, 2012, the Regional Trial Court (RTC) denied the Motion for Summary Judgment and scheduled the presentation of evidence.⁴¹ Thereafter, presentation of evidence ensued.

Ruling of the Regional Trial Court

On December 1, 2017, the RTC rendered its Order,⁴² the dispositive portion of which reads:

WHEREFORE, premises considered, this Court finds plaintiffs Zenaida Santos Herrera, Edgardo Santos, Corazon Santos Cantilero, Armando Santos, Sonia Santos Magpayo, Nestor Santos (represented by Cielito Santos Balmediano, Evelyn Santos Nicolas and Felixberto Santos), and Milagros Santos de Guzman (represented by Jerome and Jerick de Guzman, duly represented by their father and guardian Danilo de Guzman) and Maria Santos CO-OWNERS of the 694 square meter property covered by TCT No. T-289268 located in Poblacion, Bustos, Bulacan.

Pursuant to the provisions of Rule 69, Rules of Court, said property shall be divided and partitioned equally among the legitimate children of Jose Santos (either in their own right or as represented by their children where right of representation applies) and defendant Maria, his surviving spouse.

In this connection, the parties are given fifteen (15) days from the finality of this order to submit a plan of partition in accordance with the sharing as determined by the court.

If the plaintiffs and defendants cannot agree to any plan of partition or do not wish to enter into an agreement as to the matter of partition by proper instruments or conveyance, then the Court, consistent with Rule 69 will cause the partition of the property with the assistance of not more than three (3) competent and disinterested persons as commissioners.

Since the donation of the subject property by Jose Santos to defendant Maria per *Kasulatan ng Pagkakaloob Pala* dated December 4, 2007 is void as discussed in the foregoing, the latter and any person claiming rights from her are enjoined and restrained from causing the registration, sale, donation or transfer, whether voluntary or involuntary, of the property covered by TCT No. T-289268, Registry of

³⁹ Records, pp. 217-234.

⁴⁰ Penned by Presiding Judge Olivia V. Escubio-Samar; id. at 260-263.

⁴¹ Id. at 263.

⁴² Penned by Presiding Judge Olivia V. Escubio-Samar; *rollo* (G.R. No. 250774), pp. 60-77

Deeds, province of Bulacan.

No pronouncement as to costs.

SO ORDERED.⁴³ (*Italics in the original*)

For the RTC, the subject property is an exclusive asset of Jose and is not part of the absolute community of property because it was acquired through gratuitous title by Jose during his marriage to Maria. The phrase “married to” preceding the name of Maria in TCT No. T-289268 is merely descriptive of the civil status of the registered owner and does not prove co-ownership.⁴⁴ The RTC held that the alleged donation made by Jose in favor of Maria is null and void and has no legal effect as it violates Article 87 of the Family Code which, as a rule, prohibits donation or grant of gratuitous advantage, direct or indirect, between the spouses during the marriage.⁴⁵

The RTC ruled that Maria, as the surviving spouse of Jose, is now co-owners with Jose’s children and grandchildren from his first marriage.⁴⁶ Thus, the RTC declared that the property shall be divided in eight equal portions. The share pertaining to Nestor and Milagros, the children of Jose who predeceased him, will be inherited by their respective children, which shall divide the 1/8 share pertaining to their respective parent among themselves.⁴⁷

Maria filed a Motion for Reconsideration while Edgardo’s group filed a Partial Motion for Reconsideration.

On March 26, 2018, the RTC rendered its Order,⁴⁸ the dispositive portion of which reads:

WHEREFORE, premises considered, the defendant’s Motion for Reconsideration is hereby **DENIED**. On the other hand, the plaintiffs’ Partial Motion for Reconsideration is hereby **GRANTED**.

Accordingly, the Court finds plaintiffs Zenaida Santos Herrera, Edgardo Santos, Corazon Santos Cantilero, Armando Santos, Sonia Santos Magpayo, Nestor Santos (represented by Cielito Santos Balmediano, Evelyn Santos Nicolas and Felixberto Santos), Milagros Santos de Guzman (represented by Jerome and Jerick de Guzman, duly represented by their father and guardian Danilo de Guzman), Ruben Santos (represented by Maria Bettina Diaz Santos and Reuben Joseph Santos) and Maria Santos as CO-OWNERS of the 694 square meter property covered by TCT No. T-289268 located in Poblacion, Bustos, Bulacan.

The parties are given fifteen (15) days from the

⁴³ Id. at 76-77.

⁴⁴ Id. at 73-74.

⁴⁵ Id. at 74-75.

⁴⁶ Id. at 75-76.

⁴⁷ Id. at 76.

⁴⁸ Id. at 78-82. Order dated March 26, 2018. Penned by Presiding Judge Olivia V. Escubio-Samar.

finality of this order to submit a plan of partition in accordance with the sharing as determined by the court.

If the plaintiffs and defendants cannot agree to any plan of partition or do not wish to enter into an agreement as to the manner of partition by proper instruments or conveyance, then the Court, consistent with Rule 69 will cause the partition of the property with the assistance of not more than three (3) competent and disinterested persons as commissioners.

SO ORDERED.⁴⁹ (Emphasis and underscoring in the original)

The RTC held that it has jurisdiction over the complaint even if it is not a probate court as it is an action for partition of the subject property.⁵⁰ Citing *Spouses Villafria v. Plazo*,⁵¹ the RTC explained that where the more expeditious remedy of partition is available to the heirs, then they may not be compelled to submit to administration proceedings, dispensing of the risks of delay and of the properties being dissipated.⁵² The RTC added that Maria cannot question its jurisdiction as she had already participated in the proceedings.⁵³

The RTC also noted that Maria failed to respond to the Request for Admission (*Ad Cautelam*) filed by Edgardo's group wherein she was asked to admit that the children of Ruben (Bettina, and Reuben Joseph) are grandchildren of Jose. The RTC considered this omission as an implied admission and declared the children of Ruben as additional heirs of Jose who must be included in the partition.⁵⁴

Ruling of the Court of Appeals

On May 3, 2019, the CA rendered its Decision,⁵⁵ the dispositive portion of which states:

WHEREFORE, the Order, dated 1 December 2017 of the Regional Trial Court, Branch 79, Malolos City in Civil Case No. 520-M-2010 for Partition, Accounting and Damages is **AFFIRMED with MODIFICATION** in that Maria Santos is declared the sole owner of one-half of the 694-square meter lot, as her share in the absolute community property, while Maria Santos and herein 7 sets of plaintiffs (descendants of Jose Santos) are declared pro-indiviso owners of the other half of the subject 694-square meter lot, which should be equally divided into 8 parts.

The remainder of the trial court's decision not

⁴⁹ Id. at 92.

⁵⁰ Id. at 79.

⁵¹ 765 Phil. 882 (2015).

⁵² *Rollo* (G.R. No. 250774), p. 81.

⁵³ Id.

⁵⁴ Id. at 80-81.

⁵⁵ *Supra* note 2.

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inconsistent with the foregoing is affirmed.

SO ORDERED.⁵⁶ (Emphasis in the original)

In affirming the jurisdiction of the RTC, the CA reiterated that “where the more expeditious remedy of partition is available to the heirs, then they may not be compelled to submit to administration proceedings, dispensing of the risks of delay and of the properties being dissipated.”⁵⁷

The CA disagreed with the ruling of the RTC that Jose acquired the subject lot by gratuitous title. For the CA, a close reading of the Deeds of Donation the Gaspar family executed shows that they were not really transfers by gratuitous title or mere liberality. They were given by way of disturbance compensation to Jose as their tenant. The CA explained that this is not a transfer by gratuitous title because the subject property was given to Jose to compensate him for the cessation of his tenancy agreement with the Gaspar family.⁵⁸ Accordingly, the subject property forms part of Jose and Maria’s absolute community of property and is not his separate property. Upon Jose’s death and the dissolution of the absolute community, one-half of the 694 sqm property belonged to Maria as his wife.⁵⁹

With respect to the distribution of the subject property, the CA held that the seven children of Jose who were able to prove their filiation through their birth certificates are entitled to their share. Nestor and Milagros, who predeceased Jose, shall be represented by their respective children. Maria shall have the same share as each of Jose’s 7 children. The children of Ruben were excluded as his birth certificate was not presented. Thus, one-half of the 694 sqm lot is equally owned *pro-indiviso* by Maria and Jose’s seven children while Maria alone owns the other half of the subject lot.⁶⁰

In a Resolution⁶¹ dated November 26, 2019, the CA denied the motions for partial reconsideration of both parties.

In the petition for review on certiorari⁶² docketed as G.R. No. 250774, Edgardo’s group argues that the CA erroneously excluded the children of Ruben, Bettina and Reuben Joseph.⁶³ They also claim that the subject property is Jose’s exclusive property as it was donated to him by the Gaspar family.⁶⁴ They also allege that Maria misled the CA by claiming that she and her witness allegedly categorically testified that the subject land was given as payment or settlement of his Jose’s claims as an agricultural tenant.⁶⁵ They also point out that the phrase “Disturbance Compensation of Tenant” was not part of the

⁵⁶ *Rollo* (G.R. No. 250774), pp. 57-58.

⁵⁷ *Id.* at 54.

⁵⁸ *Id.* at 55.

⁵⁹ *Id.* at 56.

⁶⁰ *Id.* at 57.

⁶¹ *Supra* note 3.

⁶² *Rollo* (G.R. No. 250774), pp. 12-44.

⁶³ *Id.* at 26-28.

⁶⁴ *Id.* at 28-32.

⁶⁵ *Id.* at 33-37.

subject Deeds of Donation but was merely inserted as an additional entry as shown by the use of a different font type. The insertion was not countersigned by the Donors and the Donee. They note that apart from such insertion, there is nothing else in the body of the subject Deeds of Donation pertaining to such “Disturbance Compensation.”⁶⁶ They also assert that the proper mode of appeal to the CA is not an ordinary appeal under Rule 44 of the Rules of Court (Rules) but petition for review on *certiorari* to the Supreme Court under Rule 45 because only questions of law were raised.⁶⁷

Meanwhile, in the related case docketed as G.R. No. 250789, Maria filed a Manifestation⁶⁸ expressing that she will no longer file a separate petition for review and will instead file a Comment to the petition Edgardo’s group filed in the case docketed as G.R. No. 250774.⁶⁹

On February 19, 2020, the Court issued a Resolution⁷⁰ wherein the petitions docketed as G.R. Nos. 250774 and 250789 were consolidated. Thereafter, in a Resolution dated June 22, 2020, the Court issued a Resolution considering the petition docketed as G.R. No. 250789 closed and terminated. Maria was instructed to file a comment on the petition docketed as G.R. No. 250774.⁷¹

In her Comment,⁷² Maria insists that the CA correctly ruled that the subject property was awarded to Jose as disturbance compensation for being an agricultural tenant and that it should be considered part of the absolute community of property of Jose and Maria. Maria argues that the subject property was not acquired by gratuitous title because the transfer in favor of Jose was made in payment or settlement of his claims as an agricultural tenant.⁷³ Maria maintains that she has consistently asserted that the subject property was given to Jose on account of a compromise agreement arising from an agricultural tenancy dispute as stated in her Answer.⁷⁴ Maria also avers that she correctly appealed under Rule 44 of the Rules as her appeal raised both questions of fact and law.⁷⁵

Issues

The issues to be resolved in this case are:

1. Whether Maria availed the proper remedy in filing an ordinary appeal under Rule 44 to the CA;
2. Whether Maria became the sole owner of the parcel of land covered by TCT No. T-289268 by virtue of the *Kasulatan ng Pagkakaloob Pala* Jose executed before his death;

⁶⁶ Id. at 38-40.

⁶⁷ Id. at 40-43.

⁶⁸ *Rollo* (G.R. No. 250789), pp.7-8.

⁶⁹ Id.

⁷⁰ *Rollo* (G.R. No. 250774), pp. 181-A.

⁷¹ Id.

⁷² Id. at 197-212.

⁷³ Id. at 203-205.

⁷⁴ Id. at 206-210.

⁷⁵ Id. at 210-211.

3. Whether Jose acquired the subject property from the Gaspar family by gratuitous title;
4. Whether the subject property is excluded from the community property of Jose and Maria; and
5. Whether the children of Ruben, Bettina and Reuben Joseph, should be excluded from the partition on the ground that they failed to prove their legitimate filiation.

Ruling of the Court

Maria correctly filed an ordinary appeal under Rule 44 of the Rules to the CA.

Edgardo's group asserts that the proper mode of appeal to the CA is not an ordinary appeal under Rule 44 of the Rules but a petition for review on *certiorari* to this Court under Rule 45 because only questions of law were raised. In this case, Maria's Appellant's Brief⁷⁶ raised two issues, namely:

- a. Whether a Regional Trial Court, acting as a court of general jurisdiction in an action for partition, accounting and damages, adjudicate matters relating to the settlement of the estate of a deceased person; and
- b. Whether the subject property can be considered part of the absolute community property of Jose and Maria.

While the first issue is a pure question of law, the second issue hinges on underlying questions of fact that need to be resolved to determine the nature of the transfer of the property by the Gaspar family to Jose. The resolution of this issue requires a review of the evidence on record. Thus, Maria properly filed an ordinary appeal under Rule 44 to the CA.

Jose's donation of the subject property through a document called *Kasulatan ng Pagkakaloob Pala to Maria is null and void.*

Article 87 of the Family Code states:

Article 87. Every donation or grant of gratuitous advantage, direct or indirect, between the spouses during the marriage shall be void, except moderate gifts which the spouses may give each other on the occasion of any family rejoicing. The prohibition shall also apply to persons living together as husband and wife without a valid marriage. (Emphasis supplied)

⁷⁶ Id. at 161-172.

Based on the foregoing provision, donations between spouses during the marriage are prohibited. The donation of the subject property Jose made in favor of Maria through the *Kasulatan ng Pagkakaloob Pala* prior to his death is null and void. Accordingly, Maria cannot claim to be the sole owner of the subject property based on the void donation.

Jose acquired the subject property from the Gaspar family by onerous title.

As a rule, the Court does not review factual questions raised under Rule 45 as it is not its function to analyze or weigh all over again evidence already considered in the proceedings below. Nevertheless, this rule is not absolute. In *Microsoft Corp. v. Farajallah*,⁷⁷ the Court declared that a review of the factual findings of the CA is proper in the following instances:

x x x x

- (6) when the judgment of the Court of Appeals is premised on a misapprehension of facts;
- (7) when the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;⁷⁸

x x x x

In this case, a careful re-examination of the evidence on record is necessary to determine whether the CA failed to notice or properly appreciate certain relevant facts which, if properly considered, would justify a different conclusion. There is a need to confirm whether the allegation of insertion had been raised in the pleadings of Edgardo's group in the lower courts because Edgardo's group cannot raise this allegation for the first time in the present petition.

Edgardo's group alleges that the phrase "Disturbance Compensation of Tenant" was not part of the subject Deeds of Donation but was merely inserted as an additional entry thereon as shown by the use of a different font type. The insertion was not countersigned by the donors and the donee. They note that apart from such insertion, there is nothing else in the body of the subject Deeds of Donation supporting or pertaining to such "Disturbance Compensation." The CA relied on this phrase in ruling that Jose did not acquire the subject property by gratuitous title. The resolution of this issue is crucial in determining the true nature of the transfer made by the Gaspar family in favor of Jose.

Noticeably, the allegation of the alleged insertion of the phrase "Disturbance Compensation of Tenant" was only raised for the first time in the petition for review on *certiorari*. Admittedly, the Deeds of Donation

⁷⁷ 742 Phil. 775 (2014).

⁷⁸ Id. at 785.

attached to the petition for review on *certiorari* of Edgardo's group and during trial (marked as Exhibits "P," "Q," and "R") are the same Deeds of Donation offered in evidence by Maria (marked as Exhibits "2," "3," and "4").⁷⁹ In all these documents, the phrase "Disturbance Compensation" was indicated albeit in a different font and appeared to be countersigned by the donor with her initials. Both parties admitted the Deeds of Donation entered into between the Gaspar family and Jose as proof of their contents during trial. Therefore, Edgardo's group can no longer challenge the veracity of their contents and claim that the phrase was inserted in the documents at this stage of the proceedings.

In *Ace Foods, Inc. v. Micro Pacific Technologies Co., Ltd.*,⁸⁰ the Court explained that:

Contract is what the law defines it to be, taking into consideration its essential elements, and not what the contracting parties call it. The real nature of a contract may be determined from the express terms of the written agreement and from the contemporaneous and subsequent acts of the contracting parties. However, in the construction or interpretation of an instrument, **the intention of the parties is primordial and is to be pursued.** The denomination or title given by the parties in their contract is not conclusive of the nature of its contents.⁸¹ (Citation omitted, emphasis in the original)

It is settled that, though the documents reflecting the transfer of the subject property from the Gaspar family to Jose were all captioned Deeds of Donation, the designation or caption cannot prevail over the clear intent of the parties stated in the body of the documents.

It is not unusual to pay disturbance compensation to tenants working in agricultural lands. In fact, the Agricultural Land Reform Code⁸² recognizes the right of an agricultural lessee to receive disturbance compensation, as stated below:

Section 36. *Possession of Landholding; Exceptions.*

– Notwithstanding any agreement as to the period or future surrender, of the land, an agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:

(1) The agricultural lessor-owner or a member of his immediate family will personally cultivate the landholding or will convert the landholding, if suitably located, into residential, factory, hospital or school site or other useful non-agricultural purposes: *Provided*; That the agricultural

⁷⁹ TSN dated September 29, 2014, pp. 19-20.

⁸⁰ 723 Phil 742 (2013).

⁸¹ Id at 750.

⁸² Republic Act No. 3844

lessee shall be entitled to **disturbance compensation** equivalent to five years rental on his landholding in addition to his rights under Sections twenty-five and thirty-four, except when the land owned and leased by the agricultural lessor, is not more than five hectares, in which case instead of disturbance compensation the lessee may be entitled to an advanced notice of at least one agricultural year before ejectment proceedings are filed against him: *Provided, further,* That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossession. [Italics in the original; emphasis supplied]

Accordingly, if tenanted land is converted pursuant to Section 36 of Republic Act No. 3844, the agricultural lessee is entitled to the payment of disturbance compensation equivalent to five times the average of the gross harvest on his landholding during the last five preceding calendar years.⁸³

Though the phrase “Disturbance Compensation” was not mentioned elsewhere in the Deeds of Donation, it cannot be denied that the transaction was a result of the compromise agreement between the Gaspar family, the landowner, and Jose, the tenant. To the mind of the Court, it is clear that the transaction is onerous in nature. While the documents were denominated as Deeds of Donation, the intention of Jose was to accept payment of disturbance compensation. The valuable consideration foregone by Jose in exchange for the subject property is his right to cultivate the subject landholding.

The subject property is included in the absolute community of property of Jose and Maria.

Now that it is settled that the nature of the transfer made by the Gaspar family in favor of Jose is onerous in nature, the Court will now determine whether the subject property forms part of the absolute community of property of Jose and Maria. For marriages that took place after the effectivity of the Family Code, in the absence of any marriage settlements, property relations between husband and wife are governed by the absolute community of property regime. Since the marriage between Maria and Jose took place on April 25, 2002⁸⁴, the property regime governing their marriage is the absolute community property regime.

As a general rule, absolute community of property shall consist of all the property owned by the spouses at the time of the celebration of the marriage or acquired thereafter.⁸⁵ According to Article 93 of the Family Code,

⁸³ *Bunye v. Aquino*, 396 Phil. 533, 544 (2000).

⁸⁴ Records, p. 413.

⁸⁵ Family Code, Article 91.

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“[p]roperty acquired during the marriage is presumed to belong to the community, unless it is proved that it is one of those excluded therefrom.”⁸⁶
The following are excluded from the absolute community of property:

- (1) Property acquired during the marriage by gratuitous title by either spouse, and the fruits as well as the income thereof, if any, unless it is expressly provided by the donor, testator or grantor that they shall form part of the community property;
 - (2) Property for personal and exclusive use of either spouse. However, jewelry shall form part of the community property;
 - (3) Property acquired before the marriage by either spouse who has legitimate descendants by a former marriage, and the fruits as well as the income, if any, of such property.
- (201a) (Emphasis supplied)

In the present case, it was already established that the subject property was acquired by Jose by onerous title during his marriage to Maria despite being denominated as donation. The subject property was acquired by way of disturbance compensation. Thus, it shall form part of the community property of Jose and Maria and one-half of the property belongs to Maria.

The CA erred in excluding the children of Ruben, Bettina and Reuben Joseph, from the partition of the subject property.

With regard to the filiation of Ruben, the Court finds that Maria's failure to respond to the Request for Admission⁸⁷ cannot be used in establishing his filiation to warrant the inclusion of his children in the partition of the subject property. While Article 172 of the Family Code enumerates the means of proving filiation, this provision only applies when the filiation of an individual is contested. The fact that the only basis for the claim that Ruben is Jose's son is the failure of Maria to deny said fact in their Request for Admission and the claim of Edgardo's group that Ruben is Jose's 8th child is immaterial since both parties do not deny that Ruben is a son of Jose. Bettina and Reuben Joseph even authorized Zenaida, their aunt, to act on their behalf in the partition proceedings. Considering that the surviving children of Jose recognize Bettina and Reuben Joseph as grandchildren of Jose, they should not be deprived of their statutory share in the estate of Jose simply because they failed to show any proof of filiation under Article 172 of the Family Code.

⁸⁶ Family Code of the Philippines, Article 93.

⁸⁷ Rollo (G.R. No. 250774), pp. 210-213.

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Proper computation of the shares of each compulsory heir of Jose

As have already been discussed, the subject property was acquired by way of onerous transfer and forms part of the community property of Jose and Maria. Thus, one-half portion of the property automatically belongs to Maria.

The share of Jose which consists of the remaining one-half portion of the subject property shall be divided among all his compulsory heirs. Pursuant to Article 996 of the Civil Code, the surviving spouse has the same share as that of each of the children. Accordingly, the one-half share of Jose in the subject property shall be divided in nine equal parts representing Jose's surviving spouse, Maria, and his eight children, namely: Zenaida, Edgardo, Corazon, Armando, Sonia, Nestor, Milagros, and Ruben. Since Nestor, Milagros and Ruben predeceased Jose, their respective children shall inherit their corresponding share by right of representation.

Under Article 974 of the Civil Code, "[w]henever there is succession by representation, the division of the estate shall be made per stirpes, in such manner that the representative or representatives shall not inherit more than what the person they represent would inherit, if he were living or could inherit." Accordingly, Cielito, Evelyn, and Felixberto shall divide equally the share Nestor would have inherited if he were still alive. Jerome and Jerick are also entitled to the share Milagros would have inherited and this shall be divided equally between them. Bettina and Reuben Joseph are also entitled to the share Ruben would have inherited and this shall be divided equally between them. The subject property shall be divided as follows:

Compulsory Heir		Division of Shares	Corresponding Share in TCT No. T-289268 (694 sqm)
Maria		1/2 of 694 sqm as Maria's share in the community property plus 1/9 share in the remaining 347 sqm share of Jose	347 + 38.56 = 385.56 sqm
Zenaida		1/9 in the remaining 347 sqm share of Jose	38.56 sqm
Edgardo		1/9 share in the remaining 347 sqm share of Jose	38.56 sqm
Armando		1/9 share in the remaining 347 sqm share of Jose	38.56 sqm
Corazon		1/9 share in the remaining 347 sqm share of Jose	38.56 sqm
Sonia		1/9 share in the remaining 347 sqm share of Jose	38.56 sqm
Nestor (+)	Cielito	1/27 share in the remaining 347 sqm share of Jose	12.85 sqm
	Felixberto	1/27 share in the remaining 347 sqm share of Jose	12.85 sqm
	Evelyn	1/27 share in the remaining 347 sqm share of Jose	12.85 sqm

Milagros (+)	Jerick	1/18 share in the remaining 347 sqm share of Jose	19.27 sqm
	Jerome	1/18 share in the remaining 347 sqm share of Jose	19.27 sqm
Ruben (+)	Bettina	1/18 share in the remaining 347 sqm share of Jose	19.27 sqm
	Reuben Joseph	1/18 share in the remaining 347 sqm share of Jose	19.27 sqm

To carry out the distribution of the subject property, the case must be remanded to the court of origin, which shall proceed to partition the property in accordance with the procedure outlined in Rule 69 of the Rules.

WHEREFORE, premises considered, the Decision dated May 3, 2019 and the Resolution dated November 26, 2019 of the Court of Appeals in CA-G.R. CV No. 110870 are **SET ASIDE**.

The Court finds respondent Maria D. Santos as the owner of one-half portion of the 694-square-meter property covered by Transfer Certificate of Title No. T-289268 located in Poblacion, Bustos, Bulacan. In addition, Maria D. Santos, Zenaida Santos Herrera, Edgardo Santos, Corazon Santos Cantilero, Armando Santos, Sonia Santos Magpayo, Nestor Santos, Milagros Santos De Guzman, and Ruben Santos shall share equally in the other one-half portion of the property.

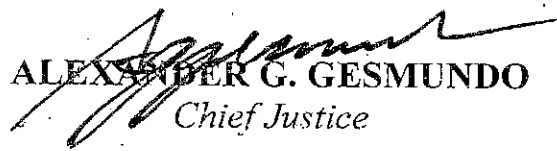
Since Nestor Santos, Milagros Santos De Guzman, and Ruben Santos predeceased Jose Santos, their respective children shall inherit their corresponding share through right of representation, in accordance with Article 974 of the Civil Code. Cielito Santos Balmediano, Evelyn Santos Nicolas, and Felixberto Santos shall divide equally the portion granted to Nestor Santos. Jerome De Guzman and Jerick De Guzman shall divide equally the share belonging to Milagros Santos De Guzman. Maria Bettina Diaz Santos, and Reuben Joseph Santos shall divide equally the share of Ruben Santos.

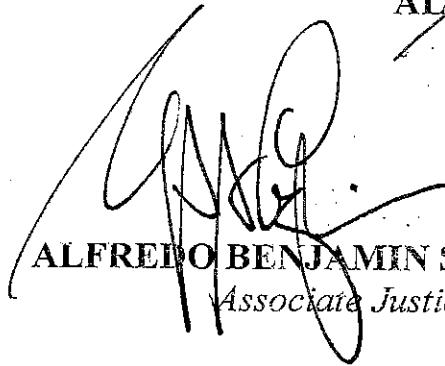
The case is **REMANDED** to the Regional Trial Court of Malolos, Bulacan, Branch 79, for purposes of partitioning the property in accordance with Rule 69 of the Rules of Court.

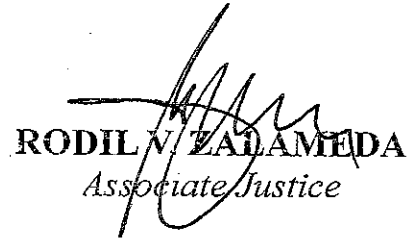
SO ORDERED.

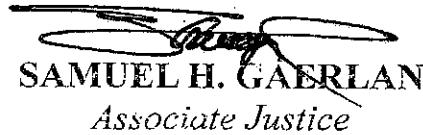

ROSMAR D. CARANDANG
Associate Justice

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice

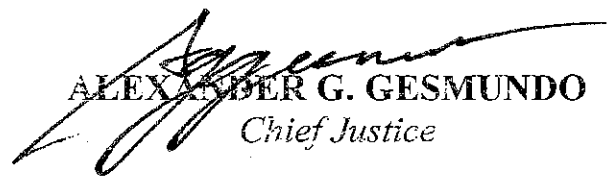

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


RODIL N. ZAMAMDA
Associate Justice


SAMUEL H. GAERLAN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice