



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

AGRIFINA DULTRA VDA. DE CAÑADA,

Petitioner,

G.R. No. 221874

Present:

- versus -

PERALTA, C.J., Chairperson,
 CAGUIOA,
 REYES, J. JR.,
 LAZARO-JAVIER, and
 LOPEZ, JJ.

CRESENCIA BACLOT,
 substituted by **SANCHITO BACLOT, ROBERTO CAÑADA, ALFREDA PORTUGUEZ, RENATO CAÑADA, RONALDO CAÑADA, RONEL CAÑADA and RIZALINO CAÑADA,**

Respondents.

Promulgated:

JUL 07 2020

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RESOLUTION

REYES, J. JR. J.:

Before this Court is a Petition for Review on *Certiorari*,¹ dated January 11, 2016 assailing the Decision² dated June 17, 2015 and the Resolution³ dated October 5, 2015 of the Court of Appeals-Cagayan de Oro City (CA) in CA-G.R. CV No. 03018-MIN which dismissed the complaint for recovery of ownership and possession of properties, accounting, and damages filed by Agrifina Cañada (petitioner) against Cresencia Baclot (Cresencia).

¹ *Rollo*, pp. 23-37.

² Penned by Associate Justice Edgardo A. Camello, with Associate Justices Henri Jean Paul B. Inting (now a Member of the Court) and Pablito A. Perez, concurring; id at 65-84.

³ Id. at 94-95.

The Relevant Antecedents

Spouses Sancho and Agrifina Cañada (Spouses Cañada) were legally married on September 4, 1937 in Cagayan de Oro City. Their union begot six children, namely: Elsa, Norma, Estrella, Yolanda, Rogelio, and Anacleto.⁴

However, 15 years into the marriage, the Spouses Cañada parted ways. Sancho left the conjugal abode in 1952.⁵

Not long thereafter, Sancho entered into a common-law relationship with Cresencia with whom he begot seven children, namely: Sanchito, Roberto, Alfreda, Renato, Ronaldo, Ronel, and Rizalino, all surnamed Cañada.⁶

The feud among Cresencia and petitioner aggressively materialized when Sancho died intestate on February 10, 1973.⁷ As appointed Administrator of the intestate estate of Sancho, petitioner filed a complaint for recovery of ownership and possession of properties, accounting, and damages with application for injunction against Cresencia on May 16, 1994.⁸

In her Complaint,⁹ petitioner sought to recover six parcels of land (subject properties), which were alleged to be owned by Sancho:

1. Commercial land acquired by Sancho Cañada from Maria Gurro in 1957, which was covered by Transfer Certificate of Title (TCT) No. T-2190 in the name of Cresencia Baclot;
2. Cocoland with all the improvements thereon, which is located in Cabinti-an, Magsaysay, Misamis Oriental and covered by Tax Declaration No. 17678;
3. Cocoland, together with improvements thereon, located in Cabinti-an, Magsaysay, Misamis Oriental and covered by Tax Declaration No. 17677;
4. Cocoland, together with improvements thereon, located in Kitobao, Magsaysay, Misamis Oriental and covered by Tax Declaration No. 17676;
5. Cocoland, together with improvements thereon, located in Mingcawayan, Magsaysay, Misamis Oriental and covered by Tax Declaration N. 17675; and

⁴ Id. at 66.

⁵ Id.

⁶ Id.

⁷ Id.

⁸ Id.

⁹ Id. at 38-41.

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6. Agricultural land, together with improvements thereon, located in Malang Camay, Magsaysay, Misamis Oriental.¹⁰

Petitioner later filed an Amended Complaint¹¹ to include her children and a second Amended Complaint to recover additional five properties (subject properties), to wit:

1. Agricultural land located in Mahayahay, Talisay, Gingoog City covered by Tax Declaration No. 14881 in the name of Crescencia Baclot;
2. Agricultural land located in Barangay 17, National Highway, Gingoog City and covered by Tax Declaration No. 14282;
3. Lot No. 11, Cad. 295, located in Talisay, Gingoog City and declared in the name of Crescencia Baclot;
4. Lot No. 4, Cad. 295, located in Talisay, Gingoog City and declared in the name of Crescencia Baclot; and
5. Lot No. 10, Cad. 295, located in Talisay, Gingoog City and declared in the name of Crescencia Baclot.¹²

were likewise filed.

Crescencia filed an Answer with Special/Affirmative Defenses and Counterclaim,¹³ essentially denying that the subject properties were owned by Sancho as she bought them through diligence, industry, and effort.

On July 27, 2004, Crescencia died. She was substituted by her heirs, Roberto, Sanchito, Alfreda, Renato, Ronel, Ronaldo, and Rizalino Cañada (respondents) as defendants.¹⁴

Seventeen (17) years and nine months after, the Regional Trial Court (RTC) of Gingoog City, Misamis Oriental, Branch 27 rendered a Decision¹⁵ dated March 13, 2012, ruling in favor of petitioner.

Banking on mere testimony of Estrella Cañada Saguit, daughter of the Spouses Cañada, the RTC held that the subject properties rightfully belonged to the intestate estate of Sancho as there was insufficient evidence showing that Crescencia had the capacity to acquire the same. Sweepingly, the RTC ordered the delivery of the subject properties to the lawful heirs of Sancho, referring to petitioner and his children with the latter.

¹⁰ Id. at 39.

¹¹ Id. at 42-43.

¹² Id. at 51.

¹³ Id. at 46-48.

¹⁴ Id. at 68.

¹⁵ Penned by Judge Rustico D. Paderanga; id. at 50-59.

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The decretal portion reads:

WHEREFORE, all premises considered and upon sheer preponderance of evidence, the court enters judgment for the plaintiffs as against defendants ordering and enjoining defendants to return, deliver and restore possession to the plaintiffs the following properties, to wit:

1. Commercial land acquired by Sancho Cañada Maria Gurro in 1957, all in the name of Cresencia Baclot located at Poblacion, Gingoog City, with all improvements thereon having an area of 684 sq.m. and presently covered by TCT No. T-2190;
2. Cocoland with all the improvements thereon located at Cabanti-an, Magsaysay, Misamis Oriental covered by Tax Declaration No. 17678s. 1974;
3. Cocoland together with all the improvements thereon situated at Cabanti-an, Magsaysay, Misamis Oriental with an area of 3.0000 hectares and declared under Tax Declaration No. 17677s. 1974;
4. Cocoland with all the improvements thereon located at Kitobao, Magsaysay, Misamis Oriental with an area of 11.2990 hectares and declared under Tax Declaration No. 17676 s. 1974;
5. Coconut land together with all the improvements thereon consisting of 3.8700 hectares located at Mingcawayan, Magsaysay, Misamis Oriental and covered by Tax Declaration No. 17675 s. 1974;
6. Unassessed agricultural land together with all the improvements thereon, with an area of 30 hectares located a[t] Malong, Gamay, Magsaysay, Misamis Oriental;
7. Agricultural land located in Mahayahay, Talisay, Gingoog City covered by Tax Declaration No. 14881 in the name of Cresencia Baclot;
8. Agricultural land located in Barangay 17, National Highway, Gingoog City covered by Tax Declaration No. 14282 in the name of Sanchito Canada;
9. Lot No. 11, Cad. 295, a four-hectare property located in Talisay, Gingoog City and declared in the name of Sanchito Canada;
10. Lot No. 4, Cad 295, a two-hectare property located in Talisay, Gingoog City and declared in the name of Cresencia Baclot;
11. Lot No. 10, Cad 295, a five-hectare property located in Talisay, Gingoog City and declared in the name of Cresencia Baclot.

Defendants are also directed to make an accounting of the fruits received from the properties beginning from the time of the death of Sancho Canada until the present and to pay plaintiffs attorney's fees in the amount of Php 25,000.00 and Php5,000.00 as litigation expenses.

SO ORDERED.¹⁶

Respondents filed a Motion for Reconsideration (MR), which was denied in a Resolution¹⁷ dated June 4, 2012.

¹⁶ Id. at 59.

¹⁷ Id at 60-62.

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The matter was elevated to the CA. In an appeal, respondents impugned the judgment of the RTC and insisted that the subject properties were all registered in the name of Cresencia; hence, the delivery of the same to the intestate estate of Sancho was erroneous.¹⁸

In a Decision¹⁹ dated June 17, 2015, the CA reversed the earlier disposition of the RTC. That Sancho and Cresencia entered into a cohabitation while the former's first marriage was still subsisting was recognized as undisputed by the CA. What it remains to be resolved was the ownership of the accumulated properties allegedly acquired by Sancho during his cohabitation with Cresencia.

On this note, the CA diligently explained and identified the ownership of each of the subject properties so as to apply the provisions of Article 148 of the Family Code. The CA found that the subject properties were actually not 11 in number, but only nine. That none of the nine was proven by petitioner as owned by Sancho was observed by the CA. The documentary evidence presented failed to show that these properties were owned by Sancho and Cresencia in common, as a result of their *actual contribution*. The fact that the properties were all registered in the name of Cresencia, except for one in the name of Sanchito, negated the petitioner's claim. Thus:

FOR THESE REASONS, the appealed Decision dated 12 March 2012 of the Regional Trial Court, Branch 27, Gingoog City in Civil Case NO. 94-391 is REVERSED and SET ASIDE, and in its place judgment is rendered by having the Complaint DISMISSED for lack of merit.

SO ORDERED.²⁰

Aggrieved by such disposition, petitioner filed a Motion for Reconsideration, which was denied in a Resolution²¹ dated October 5, 2015.

Hence, this petition.

Essentially, petitioner harps her ownership, as well as that of Sancho's legal heirs, over the subject properties on the fact that Cresencia's financial means as a dressmaker made it impossible to acquire such properties.

In their Comment,²² respondents insisted on their ownership over the property in the absence of proof that Sancho actually contributed in the acquisition of the subject properties.

¹⁸ Id. at 69-70.

¹⁹ Supra note 2.

²⁰ Id. at 83-84.

²¹ Supra note 3.

²² Id. at 108-110.

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In their Reply,²³ petitioner reiterated her allegations made in the petition.

The Court resolves.

Preliminarily, when Sancho and Cresencia cohabited in 1952, it is the Civil Code of the Philippines which was in effect. Generally, what is applicable is Article 144 of the same Code which states that:

Art. 144 When a man and a woman live together as husband and wife, but they are not married, or their marriage is void from the beginning, the property acquired by either or both of them through their work or industry or their wages and salaries shall be governed by the rules on co-ownership.

However, as pronounced in *Tumlos v. Spouses Fernandez*,²⁴ Article 144 of said law applies only to a relationship between a man and a woman who are not incapacitated to marry each other, or to one in which the marriage of the parties is void from the beginning. In other words, the provision does not apply when the cohabitation amounts to adultery or concubinage.

In this case, Sancho and Cresencia entered into a common-law marriage while the former's marriage with petitioner was valid and subsisting. Clearly, Sancho was incapacitated to marry.

As Article 144 of the Civil Code is inapplicable, the cohabitation between Sancho and Cresencia is governed by Article 148 of the Family Code, which has "filled the hiatus in Article 144 of the Civil Code."²⁵ The retroactive application of Article 148 of the Family Code is sanctioned by law, provided that vested rights remained unimpaired.²⁶

On this note, Article 148 of the Family Code states:

Art. 148. In cases of cohabitation not falling under the preceding Article, only the properties acquired by both of the parties through their actual joint contribution of money, property, or industry shall be owned by them in common in proportion to their respective contributions. In the absence of proof to the contrary, their contributions and corresponding shares are presumed to be equal. The same rule and presumption shall apply to joint deposits of money and evidences of credit.

If one of the parties is validly married to another, his or her share in the co-ownership shall accrue to the absolute community or conjugal partnership existing in such valid marriage. If the party who acted in bad

²³ Id. at 137-141.

²⁴ G.R. No. 137650, April 12, 2000.

²⁵ SEMPIO-DY, HANDBOOK ON THE FAMILY CODE OF THE PHILIPPINES, 23 (1995 ed.)

²⁶ ART. 256. This Code shall have retroactive effect insofar as it does not prejudice or impair vested or acquired rights in accordance with the Civil Code or other laws.

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faith is not validly married to another, his or her share shall be forfeited in the manner provided in the last paragraph of the preceding Article.

The foregoing rules on forfeiture shall likewise apply even if both parties are in bad faith. (144a)

Simply put, the ownership of the properties *jointly* acquired by the parties who are cohabiting under the circumstances provided is relative to their respective contributions, requiring actual proof. In the absence of proof of their quantifiable actual contribution, their contributions are deemed equal. However, if proof of *actual contribution per se* was not shown, co-ownership will not arise. To expound:

Under Article 148, only the properties acquired by both of the parties through their *actual joint contribution of money, property or industry* shall be owned by them in common in proportion to their respective contributions. It must be stressed that the actual contribution is required by this provision, in contrast to Article 147 which states that efforts in the care and maintenance of the family and household, are regarded as contributions to the acquisition of common property by one who has no salary or income or work or industry. *If the actual contribution of the party is not proved, there will be no co-ownership and no presumption of equal shares.*²⁷

In this case, as aptly observed by the CA, the subject properties were registered in the name of Cresencia alone, except for the property in the name of Sanchito, who is the son of Cresencia and Sancho. While it is true that a certificate of title is not a conclusive proof of ownership as its issuance does not foreclose the possibility that such property may be co-owned by persons not named therein,²⁸ the claimant must nonetheless prove his/her title in the concept of an owner. As it is, respondents failed to put forth evidence that Sancho is a co-owner. That Cresencia is a mere dressmaker who cannot afford the subject properties is a scorch to her industry and a condescending presumption.

Neither can respondents find refuge in the case of *Adriano v. Court of Appeals*²⁹ to bolster their claim. In said case, the claimed property was registered under the names of a man who was incapacitated to marry at the time of the acquisition and a woman who was his paramour. In the absence of proof that the woman contributed in the acquisition of the property, the Court held that between the two, the man was declared as owner of the property. Consequently, the same was considered as conjugal property of the man and his wife.

²⁷ *Agapay v. Palang*, G.R. No. 116668, 276 SCRA 340, July 28, 1997.

²⁸ *See Lee Tek Sheng v. Court of Appeals*, G.R. No. 115402, July 15, 1998.

²⁹ G.R. No. 124118, March 27, 2000.

In fact, a holistic reading of *Adriano* even establishes the decision of the Court to declare Cresencia as the sole owner of the subject properties.

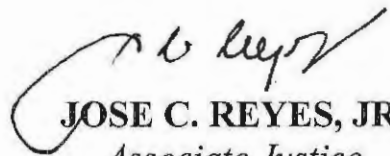
Here, the subject properties were under the name of Cresencia alone. Failure to show that Sancho made actual contributions in the purchase of the same, the Court is bound to declare that Cresencia is the exclusive owner of the subject properties.

In obvious terms, the burden of proof rests upon the party who, as determined by the pleadings or the nature of the case, asserts an affirmative issue.³⁰ Thus, contrary to the assertions of petitioner, she has the burden of proving their claim over the subject properties, registered in the name of Cresencia.

In the absence of evidence which would demonstrate that Sancho had contributed in the acquisition of the properties registered in the name of Cresencia, the Court cannot declare petitioner and her children as entitled thereto.

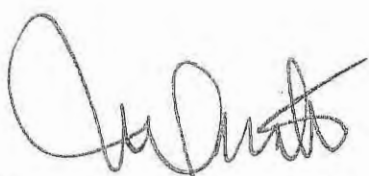
WHEREFORE, premises considered, the instant petition is hereby **DENIED**. Accordingly, the Decision dated June 17, 2015 and the Resolution dated October 5, 2015 of the Court of Appeals-Cagayan de Oro City in CA-G.R. CV No. 03018-MIN are **AFFIRMED**.

SO ORDERED.



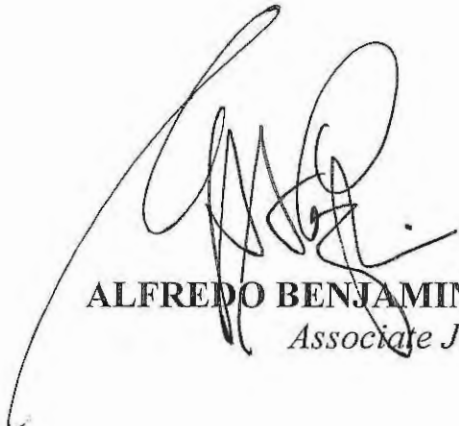
JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

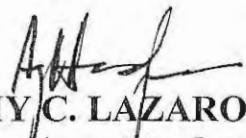


DIOSDADO M. PERALTA
Chief Justice
Chairperson

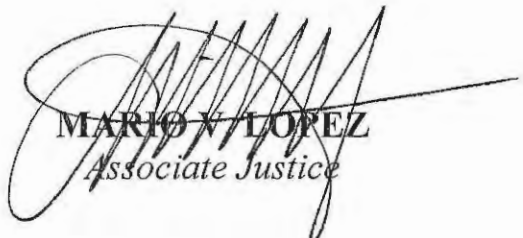
³⁰ See *Saguid v. Court of Appeals*, 451 Phil. 825-838 (2003).



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



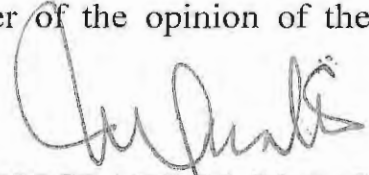
AMY C. LAZARO-JAVIER
Associate Justice



MARIO V. LOPEZ
Associate Justice

CERTIFICATION

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



DIOSDADO M. PERALTA
Chief Justice