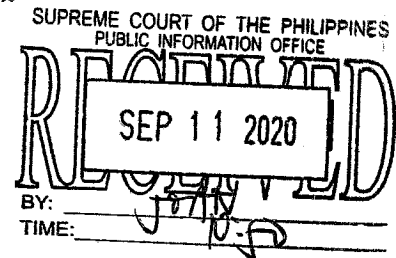




Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION



NOTICE

Sirs/Mesdames:

Please take notice that the Court, Third Division, issued a Resolution dated **February 26, 2020**, which reads as follows:

“G.R. No. 244240 (Theresa Chua Dee aka Chua Tee Dee, Catherine Grace Dee, and Constantino Dee v. Carla Rica Dee-Reyes, Dianne Krisna Dee-Ng, and Charles Dee). – The Court:

- (1) **GRANTS** respondents’ first and second motions for extension totaling twenty-five (25) days from November 29, 2019 within which to file comment on the petition for review on *certiorari*; and
- (2) **NOTES** said comment dated December 23, 2019.

The instant petition arose from an action for payment of estate taxes with damages filed by respondents against petitioners.

Petitioners are the legitimate heirs of the late Amado Dee, while respondents claim they are recognized illegitimate children. In August 2015, Amado Dee died intestate. In order to settle the estate of Amado Dee, respondents tried to communicate with petitioners, but the latter ignored respondents’ requests. Respondents sent a letter of demand for payment of estate taxes and settlement of the estate. However, petitioners still refused to pay the necessary taxes and fees. As a result, respondents filed the abovementioned suit against petitioners for their failure to expedite and settle the estate of Amado Dee and for impairing respondents’ rightful share in the inheritance. They claim that since petitioners are in possession of the assets which compose the estate, it is petitioners’ responsibility to pay the estate taxes. They also seek settlement and equitable partition of the estate of Amado Dee.¹

Petitioners, in their Answer,² admit that respondents are illegitimate

¹ *Rollo*, pp. 11-13.

² *Id.* at 83-94.

children of Amado Dee, but are not recognized children.³ Petitioners argue that the action of respondents states no cause of action as there was no basis or assessment showing the proper estate taxes to be paid. Hence, respondents' action is premature. Petitioners emphasize that they have no duty to "initiate the steps for the settlement" of the estate. The proper remedy should have been a suit for the settlement of the estate or partition and not the instant action. Respondents claim that the lack of complete data regarding the estate of Amado Dee is not a valid excuse to file the instant action against them. Further, respondents do not have legal standing to demand payment of estate taxes as it is an obligation in favor of the government, particularly the Bureau of Internal Revenue, which has the legal right and authority to require petitioners to pay the estate taxes.⁴

Petitioners filed a Motion to Set Case for Preliminary Hearing on the Special and Affirmative Defenses in the Nature of Motion to Dismiss.⁵

In an Order⁶ dated January 15, 2018, the Regional Trial Court (RTC) of Pasig City, Branch 152, denied the motion of petitioners, holding that a grant of preliminary hearing rests on the sound discretion of the court. The RTC held that a preliminary hearing under Section 6, Rule 16 of the Rules of Court⁷ is not a matter of right demandable from the trial court. Thus, the RTC ruled to hear the evidence of the parties in a full-blown trial.⁸

Petitioners moved to reconsider the Order, which was later on denied. Thereafter, petitioners filed a *Petition for Certiorari*⁹ with the Court of Appeals (CA) assailing the Order of the RTC. In a Decision¹⁰ dated January 23, 2019, the CA denied the *Petition for Certiorari*. The CA held that a preliminary hearing under Section 6, Rule 16 is proscribed when the defense raised is failure to state a cause of action. The ground that the complaint fails to state a cause of action should be tested only on the allegations of facts contained in the complaint, and no other. If the allegations show a cause of action, or furnish sufficient basis by which the action can be maintained, the complaint should not be dismissed regardless of the defenses averred by the defendants. If the court finds the allegations in the complaint to be sufficient, but doubts their veracity, the truth of the assertions could be determined during trial on the merits.¹¹

Aggrieved by the foregoing CA decision, petitioners filed the instant

³ Id. at 83-84.

⁴ Id. at 90-92.

⁵ Id. at 95-98.

⁶ Id. at 116-117.

⁷ Sec. 6. *Pleading Grounds as Affirmative Defenses.* – If no motion to dismiss has been filed, any of the grounds for dismissal provided for in this Rule may be pleaded as an affirmative defense in the answer and, in the discretion of the court, a preliminary hearing may be had thereon as if a motion to dismiss had been filed.

⁸ *Rollo*, p. 117.

⁹ Id. at 139-156.

¹⁰ Penned by Associate Justice Mario V. Lopez (now a Member of this Court), with Associate Justices Zenaida T. Galapate-Laguilles and Geraldine C. Fiel-Macaraig, concurring; id. at 26-30.

¹¹ Id. at 27-29.

case. Citing *California and Hawaiian Sugar Co. v. Pioneer Ins. and Surety Corp.*,¹² petitioners argue that the issue of no cause of action is the “very touchstone of the whole case,” which could have been resolved by the court *a quo* in the preliminary hearing. Petitioners assert that the issue is indubitable considering that the action filed was premature, and more importantly, improper. Petitioners claim that a preliminary hearing appears to suffice and there is no reason to go on trial. The petition filed by respondents should be dismissed.¹³

On the contrary, respondents claim that the RTC acted accordingly in denying the motion for preliminary hearing because the same is unnecessary, erroneous, and improvident. A preliminary hearing under Section 6, Rule 16 of the Rules of Court is not mandatory but merely discretionary. In any case, the complaint filed by respondents states a cause of action. They may file the petition for payment of estate taxes because they are compulsory heirs and have succeeded to the estate of Amado Dee. Their action to compel petitioners to pay the estate tax necessarily includes listing of the assets of the estate, determination of the obligations and the filing of the required estate tax. Respondents argue that the RTC has jurisdiction to grant their prayer to settle Amado Dee’s estate and payment of moral, nominal and exemplary damages and attorney’s fees.

Based on the arguments raised by respondents and on review of their petition for payment of estate taxes¹⁴ filed with the RTC, respondents aim for the partition and distribution of the estate of Amado Dee. This Court emphasizes that before a court can make a partition and distribution of the estate of a deceased, it must first settle the estate in a **special proceeding instituted for the purpose**.¹⁵ Courts trying an ordinary action cannot resolve to perform acts pertaining to a special proceeding because the latter is subject to specific prescribed rules,¹⁶ which the parties must observe. Further, courts must observe the rules laid for the special proceedings. Here, the action filed by respondents involve settlement and distribution of the estate of the decedent, which fall within the exclusive province of the probate court in the exercise of its limited jurisdiction. The RTC, acting in its general jurisdiction, is devoid of authority to render an adjudication on such issues. Corollary, the affirmative defenses of petitioners and their plea for a motion for preliminary hearing are matters beyond the cognizance by the court *a quo*, in the suit filed by respondents. Thus, the petition for payment of estate taxes filed by respondents with the trial court is improper and dismissible.

WHEREFORE, the petition is **GRANTED**. Finding that the petition for payment of estate taxes is the improper remedy, said action filed before

¹² 399 Phil. 795 (2000).

¹³ *Rollo*, pp. 17-21.

¹⁴ *Id.* at 34-45.

¹⁵ *Natcher v. Court of Appeals*, 418 Phil. 669, 678 (2001).

¹⁶ *Id.*

Regional Trial Court of Pasig City, Branch 152, is hereby **DISMISSED** without prejudice to the filing of the appropriate action on special proceedings with the court *a quo*.

SO ORDERED.” (Gaerlan, J., *on leave*.)

Very truly yours,

MISAEL DOMINGO C. BATTUNG III
Division Clerk of Court

By:


RUMAR D. PASION
Deputy Division Clerk of Court *9/3/2020*

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The Presiding Judge
REGIONAL TRIAL COURT
Branch 152, Pasig City
[R-PSG-7-01017-CV]

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