



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

EFREN PANA,
Petitioner,

G.R. No. 164201

Present:

- versus -

PERALTA, J.,
Acting Chairperson,
BERSAMIN,**
ABAD,
MENDOZA, and
LEONEN, JJ.

HEIRS OF JOSE JUANITE, SR.
and JOSE JUANITE, JR.,
Respondents.

Promulgated:

10 December 2012

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DECISION

ABAD, J.:

This case is about the propriety of levy and execution on conjugal properties where one of the spouses has been found guilty of a crime and ordered to pay civil indemnities to the victims' heirs.

The Facts and the Case

The prosecution accused petitioner Efren Pana (Efren), his wife Melecia, and others of murder before the Regional Trial Court (RTC) of Surigao City in Criminal Cases 4232 and 4233.¹

* Per Special Order 1394 dated December 6, 2012.

** Designated Acting Member, in lieu of Associate Justice Presbitero J. Velasco, Jr., per Special Order 1395-A dated December 6, 2012.

¹ Records, pp. 20-21; 24-25.

On July 9, 1997 the RTC rendered a consolidated decision² acquitting Efren of the charge for insufficiency of evidence but finding Melecia and another person guilty as charged and sentenced them to the penalty of death. The RTC ordered those found guilty to pay each of the heirs of the victims, jointly and severally, ₱50,000.00 as civil indemnity, ₱50,000.00 each as moral damages, and ₱150,000.00 actual damages.

On appeal to this Court, it affirmed on May 24, 2001 the conviction of both accused but modified the penalty to *reclusion perpetua*. With respect to the monetary awards, the Court also affirmed the award of civil indemnity and moral damages but deleted the award for actual damages for lack of evidentiary basis. In its place, however, the Court made an award of ₱15,000.00 each by way of temperate damages. In addition, the Court awarded ₱50,000.00 exemplary damages per victim to be paid solidarily by them.³ The decision became final and executory on October 1, 2001.⁴

Upon motion for execution by the heirs of the deceased, on March 12, 2002 the RTC ordered the issuance of the writ,⁵ resulting in the levy of real properties registered in the names of Efren and Melecia.⁶ Subsequently, a notice of levy⁷ and a notice of sale on execution⁸ were issued.

On April 3, 2002, petitioner Efren and his wife Melecia filed a motion to quash the writ of execution, claiming that the levied properties were conjugal assets, not paraphernal assets of Melecia.⁹ On September 16, 2002

² CA rollo, pp. 45-70.

³ Records, pages not indicated; *Paña v. Judge Buyser*, 410 Phil. 433, 450 (2001).

⁴ CA rollo, p. 74.

⁵ Id. at 74-75.

⁶ Original Certificates of Title 9138, 512 and 511.

⁷ CA rollo, pp. 76-77.

⁸ Id. at 78-79.

⁹ Id. at 87-93.

the RTC denied the motion.¹⁰ The spouses moved for reconsideration but the RTC denied the same on March 6, 2003.¹¹

Claiming that the RTC gravely abused its discretion in issuing the challenged orders, Efren filed a petition for *certiorari* before the Court of Appeals (CA). On January 29, 2004 the CA dismissed the petition for failure to sufficiently show that the RTC gravely abused its discretion in issuing its assailed orders.¹² It also denied Efren's motion for reconsideration,¹³ prompting him to file the present petition for review on *certiorari*.

The Issue Presented

The sole issue presented in this case is whether or not the CA erred in holding that the conjugal properties of spouses Efren and Melecia can be levied and executed upon for the satisfaction of Melecia's civil liability in the murder case.

Ruling of the Court

To determine whether the obligation of the wife arising from her criminal liability is chargeable against the properties of the marriage, the Court has first to identify the spouses' property relations.

Efren claims that his marriage with Melecia falls under the regime of conjugal partnership of gains, given that they were married prior to the enactment of the Family Code and that they did not execute any prenuptial agreement.¹⁴ Although the heirs of the deceased victims do not dispute that it was the Civil Code, not the Family Code, which governed the marriage,

¹⁰ *Rollo*, p. 54.

¹¹ *Id.* at 55-59.

¹² Penned by Associate Justice Amelita G. Tolentino, and concurred in by Associate Justices Eloy R. Bello, Jr. and Arturo D. Brion (now a member of this Court), *rollo*, pp. 120-123.

¹³ *Rollo*, p. 127.

¹⁴ *Id.* at 170.

they insist that it was the system of absolute community of property that applied to Efren and Melecia. The reasoning goes:

Admittedly, the spouses were married before the effectivity of the Family Code. But that fact does not prevent the application of [A]rt. 94, last paragraph, of the Family Code because their property regime is precisely governed by the law on absolute community. This finds support in Art. 256 of the Family Code which states:

“This code shall have retroactive effect in so far as it does not prejudice or impair vested or acquired rights in accordance with the Civil Code or other laws.”

None of the spouses is dead. Therefore, no vested rights have been acquired by each over the properties of the community. Hence, the liabilities imposed on the accused-spouse may properly be charged against the community as heretofore discussed.¹⁵

The RTC applied the same reasoning as above.¹⁶ Efren and Melecia’s property relation was admittedly conjugal under the Civil Code but, since the transitory provision of the Family Code gave its provisions retroactive effect if no vested or acquired rights are impaired, that property relation between the couple was changed when the Family Code took effect in 1988. The latter code now prescribes in Article 75 absolute community of property for all marriages unless the parties entered into a prenuptial agreement. As it happens, Efren and Melecia had no prenuptial agreement. The CA agreed with this position.¹⁷

Both the RTC and the CA are in error on this point. While it is true that the personal stakes of each spouse in their conjugal assets are inchoate or unclear prior to the liquidation of the conjugal partnership of gains and, therefore, none of them can be said to have acquired vested rights in specific assets, it is evident that Article 256 of the Family Code does not intend to reach back and automatically convert into absolute community of property relation all conjugal partnerships of gains that existed before 1988 excepting only those with prenuptial agreements.

¹⁵ CA *rollo*, p. 95.

¹⁶ *Rollo*, pp. 56-57.

¹⁷ *Id.* at 121.

The Family Code itself provides in Article 76 that marriage settlements cannot be modified except prior to marriage.

Art. 76. In order that any modification in the marriage settlements may be valid, it must be made before the celebration of the marriage, subject to the provisions of Articles 66, 67, 128, 135 and 136.

Clearly, therefore, the conjugal partnership of gains that governed the marriage between Efren and Melecia who were married prior to 1988 cannot be modified except before the celebration of that marriage.

Post-marriage modification of such settlements can take place only where: (a) the absolute community or conjugal partnership was dissolved and liquidated upon a decree of legal separation;¹⁸ (b) the spouses who were legally separated reconciled and agreed to revive their former property regime;¹⁹ (c) judicial separation of property had been had on the ground that a spouse abandons the other without just cause or fails to comply with his obligations to the family;²⁰ (d) there was judicial separation of property under Article 135; (e) the spouses jointly filed a petition for the voluntary dissolution of their absolute community or conjugal partnership of gains.²¹ None of these circumstances exists in the case of Efren and Melecia.

What is more, under the conjugal partnership of gains established by Article 142 of the Civil Code, the husband and the wife place only the fruits of their separate property and incomes from their work or industry in the common fund. Thus:

Art. 142. By means of the conjugal partnership of gains the husband and wife place in a common fund the fruits of their separate property and the income from their work or industry, and divide equally, upon the dissolution of the marriage or of the partnership, the net gains or benefits obtained indiscriminately by either spouse during the marriage.

¹⁸ FAMILY CODE, Art. 66.

¹⁹ Id., Art. 67.

²⁰ Id., Art. 128.

²¹ Id., Art. 136.

This means that they continue under such property regime to enjoy rights of ownership over their separate properties. Consequently, to automatically change the marriage settlements of couples who got married under the Civil Code into absolute community of property in 1988 when the Family Code took effect would be to impair their acquired or vested rights to such separate properties.

The RTC cannot take advantage of the spouses' loose admission that absolute community of property governed their property relation since the record shows that they had been insistent that their property regime is one of conjugal partnership of gains.²² No evidence of a prenuptial agreement between them has been presented.

What is clear is that Efren and Melecia were married when the Civil Code was still the operative law on marriages. The presumption, absent any evidence to the contrary, is that they were married under the regime of the conjugal partnership of gains. Article 119 of the Civil Code thus provides:

Art. 119. The future spouses may in the marriage settlements agree upon absolute or relative community of property, or upon complete separation of property, or upon any other regime. In the absence of marriage settlements, or when the same are void, the system of relative community or conjugal partnership of gains as established in this Code, shall govern the property relations between husband and wife.

Of course, the Family Code contains terms governing conjugal partnership of gains that supersede the terms of the conjugal partnership of gains under the Civil Code. Article 105 of the Family Code states:

“x x x x

The provisions of this Chapter [on the Conjugal Partnership of Gains] shall also apply to conjugal partnerships of gains already established between spouses before the effectivity of this Code, without

²² CA *rollo*, pp. 88, 91.

prejudice to vested rights already acquired in accordance with the Civil Code or other laws, as provided in Article 256.”²³

Consequently, the Court must refer to the Family Code provisions in deciding whether or not the conjugal properties of Efren and Melecia may be held to answer for the civil liabilities imposed on Melecia in the murder case. Its Article 122 provides:

Art. 122. The payment of personal debts contracted by the husband or the wife before or during the marriage shall not be charged to the conjugal properties partnership except insofar as they redounded to the benefit of the family.

Neither shall the fines and pecuniary indemnities imposed upon them be charged to the partnership.

However, the payment of personal debts contracted by either spouse before the marriage, that of fines and indemnities imposed upon them, as well as the support of illegitimate children of either spouse, may be enforced against the partnership assets after the responsibilities enumerated in the preceding Article have been covered, if the spouse who is bound should have no exclusive property or if it should be insufficient; but at the time of the liquidation of the partnership, such spouse shall be charged for what has been paid for the purpose above-mentioned.

Since Efren does not dispute the RTC’s finding that Melecia has no exclusive property of her own,²⁴ the above applies. The civil indemnity that the decision in the murder case imposed on her may be enforced against their conjugal assets after the responsibilities enumerated in Article 121 of the Family Code have been covered.²⁵ Those responsibilities are as follows:

Art. 121. The conjugal partnership shall be liable for:

(1) The support of the spouse, their common children, and the legitimate children of either spouse; however, the support of illegitimate children shall be governed by the provisions of this Code on Support;

(2) All debts and obligations contracted during the marriage by the designated administrator-spouse for the benefit of the conjugal partnership of gains, or by both spouses or by one of them with the consent of the other;

(3) Debts and obligations contracted by either spouse without the consent of the other to the extent that the family may have benefited;

²³ *Muñoz, Jr. v. Ramirez*, G.R. No. 156125, August 25, 2010, 629 SCRA 38, 49-50.

²⁴ *Rollo*, p. 58.

²⁵ See *Muñoz, Jr. v. Ramirez*, *supra* note 23, at 49; *Dewara v. Lamela*, G.R. No. 179010, April 11, 2011, 647 SCRA 483, 491-492.

- (4) All taxes, liens, charges, and expenses, including major or minor repairs upon the conjugal partnership property;
- (5) All taxes and expenses for mere preservation made during the marriage upon the separate property of either spouse;
- (6) Expenses to enable either spouse to commence or complete a professional, vocational, or other activity for self-improvement;
- (7) Antenuptial debts of either spouse insofar as they have redounded to the benefit of the family;
- (8) The value of what is donated or promised by both spouses in favor of their common legitimate children for the exclusive purpose of commencing or completing a professional or vocational course or other activity for self-improvement; and
- (9) Expenses of litigation between the spouses unless the suit is found to be groundless.


If the conjugal partnership is insufficient to cover the foregoing liabilities, the spouses shall be solidarily liable for the unpaid balance with their separate properties.

Contrary to Efren's contention, Article 121 above allows payment of the criminal indemnities imposed on his wife, Melecia, out of the partnership assets even before these are liquidated. Indeed, it states that such indemnities "may be enforced against the partnership assets after the responsibilities enumerated in the preceding article have been covered."²⁶ No prior liquidation of those assets is required. This is not altogether unfair since Article 122 states that "at the time of liquidation of the partnership, such [offending] spouse shall be charged for what has been paid for the purposes above-mentioned."

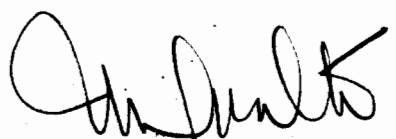
WHEREFORE, the Court **AFFIRMS** with **MODIFICATION** the Resolutions of the Court of Appeals in CA-G.R. SP 77198 dated January 29, 2004 and May 14, 2004. The Regional Trial Court of Surigao City, Branch 30, shall first ascertain that, in enforcing the writ of execution on the conjugal properties of spouses Efren and Melecia Pana for the satisfaction of the indemnities imposed by final judgment on the latter accused in Criminal Cases 4232 and 4233, the responsibilities enumerated in Article 121 of the Family Code have been covered.

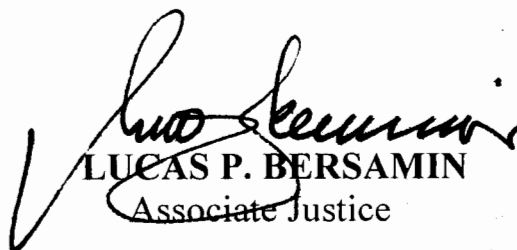
²⁶ See *People v. Lagrimas*, 139 Phil. 612, 617 (1969).

SO ORDERED.

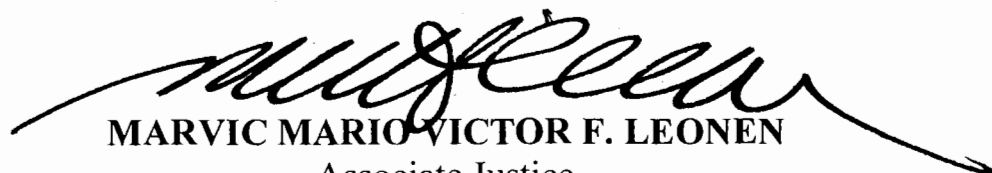

ROBERTO A. ABAD
Associate Justice

WE CONCUR:


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson

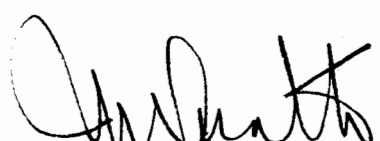

LUCAS P. BERSAMIN
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC MARIO VICTOR F. LEONEN
Associate Justice

ATTESTATION

I attest 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.


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.

**MARIA LOURDES P. A. SERENO**

Chief Justice