



Republic of the Philippines
Supreme Court
 Manila

SUPREME COURT OF THE PHILS.
 OF THE CHIEF JUSTICE
 NOV 26 2021
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SECOND DIVISION

DORIS MARIE S. LOPEZ,
Petitioner,

G.R. No. 233775

SUPREME COURT OF THE PHILIPPINES
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Present:

PERLAS-BERNABE, *SAJ.*,
Chairperson,
 HERNANDO,
 INTING,
 GAERLAN, and
 ROSARIO, **JJ.*

- versus -

ANICETO G. SALUDO, JR.,
Respondent.

Promulgated:

SEP 15 2021

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DECISION

HERNANDO, J.:

This Petition for Review on *Certiorari*¹ challenges the February 9, 2017 Decision² and August 30, 2017 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 96678 which denied petitioner Doris Marie S. Lopez (petitioner) appeal from the November 5, 2010 Decision⁴ of the Regional Trial Court (RTC) of Pasig City, Branch 67 in Civil Case No. 70886-PSG.

The Antecedents:

Respondent Aniceto G. Saludo (respondent) filed Civil Case No. 70886-PSG, an Action for Reconveyance and Damages with a Prayer for a

* Designated as additional Member per Special Order No. 2835 dated July 15, 2021.

¹ *Rollo*, pp. 3-33.

² *Id.* at 34-40. Penned by Associate Justice Eduardo B. Peralta, Jr. and concurred in by Associate Justices Noel G. Tijam (now a retired Member of the Court) and Francisco P. Acosta.

³ *Id.* at 41-44. Penned by Associate Justice Eduardo B. Peralta, Jr. and concurred in by Associate Justices Priscilla J. Baltazar-Padilla (now a retired Member of the Court) and Pedro B. Corales.

⁴ *CA rollo*, pp. 41-47.

Temporary Restraining Order and/or Preliminary Injunction against petitioner. Respondent prayed that he be declared the true owner of two parcels of land located in Barrio Pineda, Pasig City, and to have said properties reconveyed to him. Respondent further prayed for the payment of attorney's fees, litigation expenses and costs of suit.

Respondent alleged that sometime in April or May 1997, petitioner told him that she knows of two parcels of land that were being offered for sale at a reasonable price. At first, respondent was hesitant to buy the said lands. However, he was eventually convinced to purchase the subject properties due to the persistent assurances of petitioner that: (a) the titles thereto were clean; (b) the transfer certificates of title (TCT) would be issued in respondent's name after the execution of the sale; and (c) that the offered selling price was very reasonable and even bordering on a bargain sale considering the location of the properties and their proximity to business centers.

Petitioner then offered to pose as the buyer because the seller, who was her close friend, allegedly wanted to deal only with her to keep his financial constraints within his close family friends. Respondent then entrusted to petitioner the purchase price amounting to ₱15,000,000.00, with the agreement that petitioner would be the signatory in the Deed of Sale but will hold the properties in trust for, and subsequently reconvey the same to, respondent.

After the execution of the sale, however, respondent noticed that petitioner started evading him and did not give any update as to the registration of the sale in his name. When respondent inquired on the status of the properties, he found out that the properties were already registered in the name of petitioner as evidenced by TCT Nos. PT-111136 and PT-111137 issued by the Register of Deeds of Pasig City, pursuant to a Deed of Absolute Sale⁵ dated May 25, 1999 executed by Bulalacao Realty Corporation (BRC) in favor of petitioner.

This prompted respondent to immediately assume possession of the properties and introduce major renovations on the house amounting to a total of ₱9,000,000.00. He likewise paid the real property taxes thereon for 13 years. Since then, he has been in actual possession of the properties. As the occupant thereof, he is also the one paying the homeowner's association dues.

Respondent made several demands, both oral and written, upon petitioner to reconvey the subject properties to him, but to no avail. Hence, respondent filed an Affidavit of Adverse Claim⁶ on July 31, 2001 against petitioner over the properties and had it annotated on the TCTs.

⁵ *Rollo*, pp. 64-65.

⁶ See *id.* at 36.

On July 19, 2006, respondent filed the instant Complaint for Reconveyance and Damages⁷ imputing bad faith on the part of petitioner. He claimed that he is the true owner of the subject properties and that petitioner merely holds the same in trust for him. In support thereof, he presented the four checks that he issued in the name of petitioner for the payment of the purchase price. He also reiterated that he has been in actual possession of the properties in question from the time he had fully paid them up to the filing of the instant complaint.

In her Answer, petitioner claimed that she purchased the subject properties from BRC in 1997 pursuant to a Deed of Sale under *Pacto de Retro*.⁸ Since the properties were not repurchased by the vendor-a-retro, a Deed of Absolute Sale⁹ was executed in her favor for the two lots, covered by TCT No. PT-104090 and TCT No. PT-104091, dated May 25, 1999. By virtue of the said sale, TCT No. PT-111136 and TCT No. PT-111137 were issued in her name. Thereafter, petitioner effected major renovations on the house constructed thereon.

Petitioner claimed that respondent volunteered to finance the renovation of the house on account of their special relationship. Thereafter, respondent and his family occupied the said properties. However, when their relationship turned sour, respondent surreptitiously filed an adverse claim over the subject properties with the Register of Deeds of Pasig City, falsely claiming ownership thereof.

This prompted petitioner to file a complaint with the barangay against respondent for “Pagpapaalis sa tinitirahang bahay o Ejectment” on June 9, 2006. However, despite due notice, respondent failed to attend the barangay proceeding. Repeated demands made by petitioner upon respondent to vacate the properties in question proved futile. Instead, respondent filed the instant complaint against petitioner before the lower court.

Ruling of the Regional Trial Court:

On November 5, 2010, the RTC rendered a Decision¹⁰ declaring respondent as the true and rightful owner of the subject properties. The decretal portion thereof reads:

WHEREFORE, judgment is hereby rendered in favor of plaintiff and against the defendant:

⁷ See id. at 34.

⁸ Id. at 59-62.

⁹ Id. at 64-65.

¹⁰ CA *rollo*, pp. 41-47.

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1. Declaring the plaintiff as the absolute and rightful owner of the parcels of land covered by Transfer Certificates of Title Nos. PT-111136 and PT-111137;
2. Ordering the defendant to:
 - a. execute a Deed of Reconveyance over the subject properties in favor of the plaintiff;
 - b. furnish the plaintiff with the original and duplicate copies as well as the owner's duplicate of the above-mentioned titles; and (sic)
 - c. pay attorney's fees of Php20,000.00 and litigation expenses of 10,000.00 (sic)
 - d. pay costs of suit

Counterclaims are dismissed for lack of merit.

SO ORDERED.¹¹

The RTC found that the factual circumstances surrounding the present case showed that an implied trust existed between respondent and petitioner. Respondent was able to prove by preponderance of evidence that he was the one who paid the subject properties. The trial court also held that his actual possession of the properties in question from the moment the purchase price had been paid in full is a clear proof of his ownership over the disputed properties. While it is true that the sale was made through petitioner, she was merely a trustee of the subject properties, the true and direct owner of the same being herein respondent.

Ruling of the Court of Appeals:

Dissatisfied with the RTC's ruling, petitioner elevated the case to the CA. On February 9, 2017, the appellate court denied the appeal and affirmed the RTC Decision.¹² Petitioner filed a motion for reconsideration, but it was denied in a Resolution¹³ dated August 30, 2017.

Hence, the instant petition.

Petitioner maintains that respondent failed to establish that an implied trust was created between her and respondent. She avers that by allowing her to enter into the contract of sale as the buyer, respondent clearly intended the subject properties to be registered in her name and for her to be the real owner thereof on account of their special relationship. Thus, he cannot now conveniently claim that his intention was otherwise.

¹¹ Id. at 46-47.

¹² See *rollo*, p. 40.

¹³ Id. at 41-44.

Further, petitioner maintains that the payment of the purchase price of the subject properties, the association dues, realty taxes and expenses for the improvements introduced thereon is not conclusive proof of respondent's ownership of the said properties.

Lastly, petitioner insists that respondent miserably failed to assert his rights in the midst of petitioner's alleged open defiance of their oral agreement that petitioner would merely pose as the buyer but the properties would later on be reconveyed to respondent as the true owner thereof. His total silence and lack of objection to the acts of petitioner in registering the properties in her name clearly indicated respondent's acquiescence thereto.

Issue:

Whether respondent had sufficiently proved that an implied trust was created between him and petitioner.

Our Ruling

We rule in the affirmative.

Before delving into the merits of the case, We point out that a cursory reading of the present Petition for Review on *Certiorari* under Rule 45 of the Rules of Court reveals that it is a reiteration of factual issues and arguments raised by petitioner in her appeal, which had already been fully passed upon by the appellate court. Whether or not the subject properties were bought by respondent as the beneficial owner thereof is a question of fact which is beyond this Court's jurisdiction under the present Petition for Review on *Certiorari*.

Questions of fact, which would require a re-evaluation of the evidence, are inappropriate under Rule 45 of the Rules of Court.¹⁴ The jurisdiction of the Court under Rule 45, Section 1¹⁵ is limited only to errors of law as the Court is not a trier of facts. While Rule 45, Section 1 is not absolute, none of the recognized exceptions,¹⁶ which allow the Court to review factual issues, is

¹⁴ *Gatan v. Vinarao*, 820 Phil. 257, 265 (2017).

¹⁵ SECTION 1. *Filing of Petition with Supreme Court.* - A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition shall raise only questions of law which must be distinctly set forth.

¹⁶ The general rule for petitions filed under Rule 45 admits exceptions, to wit: (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record. (*Miano v. Manila Electric Co.*, 800 Phil. 118, 123 (2016), citing *Medina v. Mayor Asistio, Jr.*, 269 Phil. 255 (1990).

present in the instant case. *Miro v. Vda. de Erederos*¹⁷ is particularly instructive on this matter:

Parameters of a judicial review under a Rule 45 petition

a. Rule 45 petition is limited to questions of law

Before proceeding to the merits of the case, this Court deems it necessary to emphasize that a petition for review under Rule 45 is limited only to questions of law. Factual questions are not the proper subject of an appeal by *certiorari*. This Court will not review facts, as it is not our function to analyze or weigh all over again evidence already considered in the proceedings below. As held in *Diokno v. Hon. Cacedac*, a reexamination of factual findings is outside the province of a petition for review on *certiorari*, to wit:

It is aphoristic that a re-examination of factual findings cannot be done through a petition for review on *certiorari* under Rule 45 of the Rules of Court because as earlier stated, this Court is not a trier of facts[.] x x x. The Supreme Court is not duty-bound to analyze and weigh again the evidence considered in the proceedings below. This is already outside the province of the instant Petition for *Certiorari*.

There is a question of law when the doubt or difference arises as to what the law is on a certain set of facts; a question of fact, on the other hand, exists when the doubt or difference arises as to the truth or falsehood of the alleged facts. Unless the case falls under any of the recognized exceptions, we are limited solely to the review of legal questions.

b. Rule 45 petition is limited to errors of the appellate court

Furthermore, the “errors” which we may review in a petition for review on *certiorari* are those of the CA, and not directly those of the trial court or the quasi-judicial agency, tribunal, or officer which rendered the decision in the first instance. It is imperative that we refrain from conducting further scrutiny of the findings of fact made by trial courts, lest we convert this Court into a trier of facts. As held in *Reman Recio v. Heirs of the Spouses Agueda and Maria Altamirano, etc., et al.*, our review is limited only to the errors of law committed by the appellate court, to wit:

Under Rule 45 of the Rules of Court, jurisdiction is generally limited to the review of errors of law committed by the appellate court. The Supreme Court is not obliged to review all over again the evidence which the parties adduced in the court *a quo*. Of course, the general rule admits of exceptions, such as where the factual findings of the CA and the trial court are conflicting or contradictory.¹⁸ (Citations omitted.)

Nevertheless, We find that petitioner was able to prove his ownership over the subject properties.

¹⁷ 721 Phil. 772 (2013).

¹⁸ Id. at 785-787.

Trust is the legal relationship between one person having an equitable ownership in property and another person owning the legal title to such property, the equitable ownership of the former entitling him to the performance of certain duties and the exercise of certain powers by the latter.¹⁹

The Civil Code provides that an implied trust is created when a property is sold to one party but paid for by another for the purpose of having beneficial interest in said property:

Article 1448. There is an implied trust when property is sold, and the legal estate is granted to one party but the price is paid by another for the purpose of having the beneficial interest of the property. The former is the trustee, while the latter is the beneficiary. However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child.

Moreover, Article 1456 of the Civil Code pertinently provides:

Art. 1456. If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes.

An implied trust arises, *not from any presumed intention of the parties*, but by operation of law in order to satisfy the demands of justice and equity and to protect against unfair dealing or downright fraud.²⁰

The burden of proving the existence of a trust is on the party asserting its existence, and such proof must be clear and satisfactorily show the existence of the trust and its elements. While implied trusts may be proven by oral evidence, the evidence must be trustworthy and received by the courts with extreme caution, and should not be made to rest on loose, equivocal or indefinite declarations. Trustworthy evidence is required because oral evidence can easily be fabricated.²¹

In the case at bar, both the CA and the RTC declared that based on the evidence on record, an implied trust relation arose between respondent and petitioner. Respondent had actually adduced evidence to prove his intention to purchase the subject properties by paying the purchase price thereof, through petitioner, with the attendant expectation that petitioner would later on reconvey the same to him. This Court sees no cogent reason to revisit these well-supported conclusions of the lower courts.

According to the RTC:

¹⁹ *Gersip Association, Inc v. Government Service Insurance System*, 719 Phil. 526, 533-534 (2013).

²⁰ *Heirs of Francisco Narvasa, Sr. v. Imbornal*, 740 Phil. 541, 555 (2014).

²¹ *Id.*

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Plaintiff was able to prove that he bought the properties with his own money and he was also able to establish that he issued checks (Exhibits P, Q, R & S) to complete the full payment of the purchase price of the properties amounting to Fifteen Million (Php15,000,000.00) Pesos. His clear ownership over the properties is confined by living in or in (sic) actual possession of the properties from the very moment the properties were fully paid. And these pieces of evidence were not rebutted by the defendant and in fact the latter admitted that it was the plaintiff who gave her the money in purchasing the subject properties.²²

Likewise, the CA ratiocinated, *viz.*:

From what We examined from the record, plaintiff-appellee sat on the witness stand to adduce testimonial and documentary evidence, *i.e.*, copies of the various checks issued by the plaintiff-appellee for payment of the realty; receipts issued in the name of plaintiff-appellee for the materials purchased and used for the renovation of the house on the subject property; payroll of the laborers showing the amounts plaintiff-appellee paid for the construction and renovation thereof; his payment of real property taxes; and homeowner's dues.²³

The preponderance of evidence established positive acts of respondent indicating, without doubt, that he considered the subject properties as his exclusive properties. First, he entered into actual possession of the properties in question immediately after his full payment of the purchase price and remained in possession thereof until the filing of the Complaint before the lower court. Second, he spent millions for the renovation of the house constructed on the premises. Finally, he had the tax declarations transferred in his name and faithfully paid the realty taxes thereon.

From the foregoing, this Court is convinced that an implied resulting trust existed between the parties. The pieces of evidence presented demonstrate respondent's intention to acquire the subject properties for his own account and benefit. The surrounding circumstances as to its acquisition speak of the intent that the equitable or beneficial ownership of the properties should belong to respondent.

Indeed, it is settled that when the factual findings of the trial court are confirmed by the CA, said facts are final and conclusive on this Court, unless the same are not supported by the evidence on record.²⁴

Petitioner nevertheless insists that the purchase money for the properties was gratuitously given to her by respondent on account of their special relationship as boyfriend and girlfriend. This is not so. On this score, We find

²² CA rollo, p. 45; RTC Decision, p.5.

²³ Rollo, pp. 38-39; CA Decision, pp. 5-6.

²⁴ Supra note 9 at 273, citing *Bank of the Philippine Islands v. Leobrero*, 461 Phil. 461 (2003).

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the ruling of the Court in the recent case of *Spouses Devisfruto v. Greenfell*²⁵ worth mentioning, viz.:

As to the second issue, the parties admit that respondent supplied the purchase money for the properties. Thus, assuming that neither an implied nor an express trust was created, the facts, as presented by petitioners, require the application of the laws on donation. If, as insisted by petitioners, the purchase money for the properties was gratuitously given to them, the law relevant to this transaction would be Article 748 of the Civil Code, which requires that donations of personal property exceeding P5,000.00 must be in writing:

Article 748. The donation of a movable may be made orally or in writing. —

An oral donation requires the simultaneous delivery of the thing or of the document representing the right donated.

If the value of the personal property donated exceeds five thousand pesos, the donation and the acceptance shall be made in writing, otherwise, the donation shall be void.

If the acceptance is made in a separate instrument, the donor shall be notified thereof in an authentic form, and this step shall be noted in both instruments.

In *Carinan v. Spouses Cueto*, where it was argued that the respondent therein had gratuitously paid the purchase money for property as a donation, this Court noted that donations of purchase money must follow the formal requirements mandated by law.

In order to sufficiently substantiate her claim that the money paid by the respondents was actually a donation, Esperanza should have also submitted in court a copy of their written contract evincing such agreement. Article 748 of the New Civil Code (NCC), which applies to donations of money, is explicit on this point as it reads:

Art. 748. *The donation of a movable may be made orally or in writing. —*

An oral donation requires the simultaneous delivery of the thing or of the document representing the right donated.

If the value of the personal property donated exceeds five thousand pesos, the donation and the acceptance shall be made in writing. Otherwise, the donation shall be void.

As the Court ruled in *Moreño-Lentfer v. Wolff*, a donation must comply with the mandatory formal requirements set forth by law for its validity. When the subject of donation is purchase money, Article 748 of the NCC is applicable. Accordingly, the donation of money as well as its acceptance should

²⁵ G.R. No. 227725, July 1, 2020.

be in writing. Otherwise, the donation is invalid for non-compliance with the formal requisites prescribed by law.

Although petitioners repeatedly insisted that the purchase money for the properties was gratuitously given, it appears that they did not, at any stage, present evidence that this donation complied with the formal requirements under Article 748 of the Civil Code. Thus, this Court sees no reason to consider this argument any further.²⁶ (Citations omitted)

Similarly, since petitioner, in this case, insists that the purchase money for the properties was gratuitously furnished by respondent, the formalities of a valid donation under Article 748 of the Civil Code should have been complied with, failing which, there could be no donation to speak of. As in *Carinan v. Spouses Cueto*,²⁷ petitioner never adduced evidence in support of said argument. Thus, her claim of an alleged donation should necessarily fail.

All told, We find that the CA did not err when it rendered its assailed ruling.

WHEREFORE, the instant Petition for Review is **DENIED** for lack of merit. The Decision dated February 9, 2017 and Resolution dated August 30, 2017 of the Court of Appeals in CA-G.R. CV No. 96678 are hereby **AFFIRMED**. Costs on petitioner.

The Court further resolves to:

1. **NOTE** the **MEMORANDUM** dated October 20, 2020 by counsel for petitioner in compliance with the Resolution dated September 7, 2020;

2. **GRANT** the **MOTION TO ADMIT MEMORANDUM** dated November 16, 2020 by counsel for respondent;

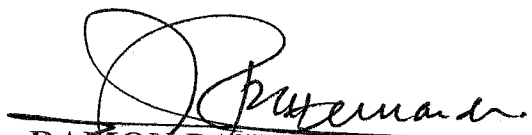
3. **NOTE** the aforesaid respondent's **MEMORANDUM** dated November 12, 2020 in compliance with the Resolution dated September 7, 2020; and

4. **GRANT** the **EARNEST MOTION TO ADMIT ADDENDUM AND FOR DUE CONSIDERATION THEREOF** dated January 21, 2021 by petitioner herself.

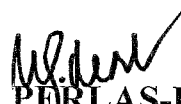
²⁶ Id.


²⁷ 745 Phil. 186 (2014).


SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

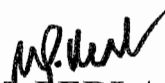

HENRI JEAN PAUL B. INTING
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
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.


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

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.


ALEXANDER G. GESMUNDO
Chief Justice