

Title:

Federico Jarantilla, Jr. vs. Antonieta Jarantilla, et al.

Facts:

Federico Jarantilla, Jr., the petitioner, is the grandchild of the late Andres and Felisa Jarantilla who left behind real properties to their eight children. In 1948, the children adjudicated these properties among themselves and used the produce from 1947-1949 to fund the studies of two heirs, Rafael and Antonieta Jarantilla. An agreement was also made among some heirs and the spouses Buenaventura and Conchita Jarantilla Remotigue to provide mutual financial support to each other's commercial and agricultural ventures.

In 1957, the Remotigues acknowledged via a notarized document that they and several Jarantilla heirs, including the petitioner, had varying investments in businesses under Buenaventura's name. Antonieta then filed an amended complaint, claiming she entered into a partnership back in 1946 with the Remotigues, Rafael, Rosita, and Vivencio Deocampo, and that she should get an 8% share from the co-ownership of certain properties and business earnings.

The petitioner, originally a defendant, entered into a compromise with Antonieta, claiming a 6% share in the partnership and supporting her claims. The RTC ruled in favor of Antonieta, but both petitioner and respondents appealed. The CA set aside the RTC's decision and gave Antonieta and petitioner only their respective shares in the assets of the businesses listed in the Acknowledgement of Participating Capital. Jarantilla's petition to the Supreme Court was dismissed due to late filing, while the petitioner sought review on his share in the real properties acquired by the defendants.

Issues:

1. Whether or not the alleged partnership financed the subject real properties, and by extension, what rights does the petitioner have over these properties.
2. Whether the evidence presented was sufficient to establish that the subject real properties were indeed funded by the partnership in question.
3. Whether or not a trust was created with respect to the petitioner's share in the subject real properties.

Court's Decision:

The Supreme Court denied the petition, affirming the Court of Appeals' decision. The petitioner's claim to a 6% share in the real properties was based solely on his own testimony

and that of Antonieta Jarantilla, which were not sufficient to prove the allegations. The documents presented by respondents adequately showed their personal capacity to acquire and fund properties independent of the partnership's resources. The Court emphasized that an Acknowledgement of Participating Capital does not prove that the real properties were acquired out of the partnership's proceeds, especially when the document specified certain businesses not including the properties in question.

Doctrine:

- Acknowledgements of Participating Capital specify the extent of ownership/share in a partnership and do not extend to properties or businesses not included within the scope of the document unless proven otherwise.
- The sharing of gross returns does not of itself establish a partnership without showing an intent to form such an alliance, contribute money, property, or industry to a common fund, and divide the profits among the parties.
- Certificates of title serve as the best proof of ownership and cannot be collaterally attacked in a proceeding.
- Testimonial evidence cannot prevail over written evidence, especially during attempts to establish co-ownership based partially on oral evidence.

Class Notes:

Key Elements:

- Partnership: Agreement to contribute money, property, or industry to a common fund with the intent to divide profits among the contracting parties (Civil Code, Art. 1767).
- Co-ownership: An undivided thing or right belongs to different persons without the agreement to conduct business for profit (Civil Code, Art. 484).
- Trusts: Implied trusts are those created by the operation of law, either resulting or constructive, depending on the circumstances that led to their creation.
- Document Evidentiary Value: A notarized document carries significant weight and the specifics of such a document dictate the extent of claims and rights derived from it.
- Property Title: A certificate of title is conclusive evidence of ownership and should not be subject to collateral attack (Property Registration Decree, Sec. 48).

Historical Background:

The legal case delves into the intricacies of Filipino family inheritance, business partnerships, and co-ownership. It showcases the legal ramifications when a family's economic enterprises intertwine with inheritance and highlights the precedence of written proof over verbal claims in property disputes. It also emphasizes the robustness of the

Torrens system in the Philippines and the protection it affords to registered titles. The case underscores how business arrangements and family transactions from decades ago can lead to contentious legal disputes that require resolution by the judicial system.