

Title:

Adille vs. Court of Appeals, Emeteria Asejo, et al.

Facts:

The land in question, Lot 14694 of the Cadastral Survey of Albay located in Legaspi City with an area of approximately 11,325 square meters, originally belonged to Felisa Alzul. She bore one child with her first husband, Bernabe Adille, named Rustico Adille (herein petitioner). She later remarried Procopio Asejo and had children with him, who are the plaintiffs-respondents in this case (Emeteria Asejo, Teodorica Asejo, Domingo Asejo, Josefa Asejo, and Santiago Asejo).

In 1939, Felisa sold the property under a pacto de retro sale with a three-year redemption period. However, Felisa died in 1942 without redeeming the property. During the period of redemption and after Felisa's death, Rustico, by himself, repurchased the property and executed a deed of extrajudicial partition representing he was the sole heir, leading him to secure title in his name alone in 1955.

After failed attempts at compromise, the other heirs filed a case for partition and accounting against Rustico, arguing that he merely held the property as a trustee on an implied trust when he redeemed it. Rustico counterclaimed, seeking to evict one of the plaintiffs, Emeteria, who was occupying part of the land.

The trial court ruled in favor of Rustico, recognizing him as the absolute owner, thereby dismissing the case and ordering Emeteria to vacate. The plaintiffs appealed to the Court of Appeals, which reversed the trial court's decision. Rustico sought relief from the Supreme Court via a certiorari petition.

Issues:

1. Whether a co-owner can acquire exclusive ownership over property held in common upon redemption.
2. Whether the registration of property in the name of one co-owner extinguishes co-ownership.
3. Whether the right to demand the establishment of an implied trust over a piece of property is barred by prescription.

Court's Decision:

The Supreme Court denied the petition, affirming the decision of the Court of Appeals. The Court held that one co-owner redeeming the property for the whole does not terminate the

co-ownership. Rustico could not claim exclusive ownership as reimbursement from other co-owners for necessary expenses like redemption is allowable under Article 488 of the Civil Code. Registration of property does not confer ownership; it is merely notice of existing title.

Rustico was considered a trustee under an implied trust for the benefit of the other heirs due to his fraudulent act of securing the property in his name alone. Since he acted against the interest of his co-heirs and committed fraud, his claim that the right of the respondents to challenge his exclusive title has prescribed was dismissed by the Court.

Prescription as a defense was not invoked by Rustico, and the Court further held that prescription had not commenced as Rustico had not complied with the conditions for a repudiation of co-ownership. The respondents' rights started from their actual discovery of Rustico's act of fraud, during the litigation.

Doctrine:

The redemption of property by one co-owner does not terminate the co-ownership. Registration of property does not confer ownership; it merely provides notice of existing title. The act of registering property fraudulently in the name of one co-owner constitutes the establishment of an implied trust in favor of the other co-owners.

Class Notes:

- Co-Ownership and Redemption: A co-owner is entitled to redeem his share separately, and the redemption by one co-owner does not terminate the existing state of co-ownership.
- Necessary Expenses: One co-owner can bear necessary expenses and demand reimbursement from the rest according to their shares (Article 488, Civil Code).
- Implied Trust: Article 1456 of the Civil Code establishes an implied trust when property is acquired through mistake or fraud for the benefit of the person from whom the property comes.
- Registration and Fraud: Registration under the Torrens system does not furnish a shield for fraud. Registration is not a mode of acquiring ownership; it operates as a mere notice of existing title if done in good faith.
- Prescription and Co-Ownership: To claim prescription, a co-owner must have engaged in repudiation, made the repudiation known to all co-owners, provided clear and conclusive evidence, and possessed the property in an open, continuous, exclusive, and notorious manner for the required number of years.
- Prescription of Action: Actions to enforce a constructive trust based on implied trust due

to fraud prescribe in 10 years, counted from the actual discovery of the fraud, not the registration date.

Historical Background:

In the Philippine legal context, issues surrounding property rights and inheritance reflect social and cultural values related to wealth accumulation and property ownership. The case highlights the importance of legal mechanisms, such as co-ownership rules, implied trusts, and prescription, in resolving disputes stemming from the interplay of traditional family ties and property interests. The case reaffirms legal protections against fraudulent actions by a co-owner seeking to appropriate common property exclusively, thereby preserving the fundamental principles of equity and justice in property distribution among heirs.