

### Title: Adaza vs. Court of Appeals

### Facts:

- **Pre-donation Events**:

- Victor Adaza Sr. and Rosario Gonzales had six children: Horacio, Homero, Demosthenes, Violeta, Teresita, and Victor Jr.

- Victor Sr. donated a 13.3618-hectare property to his daughter Violeta in 1953.

- **Donation Process and Initial Agreement**:

- The property was part of public domain land and was eventually titled to Violeta in 1960 after a successful homestead application and issuance of a free patent.

- **Dispute Origin**:

- Victor Sr. initially intended that Violeta would share the land with her siblings. This intent was evident from a provision in the deed, which was later crossed out to reflect donation solely to Violeta.

- **Family Conflict**:

- In 1971, Horacio allegedly convinced Violeta to sign a Deed of Waiver, acknowledging joint ownership of the land and transferring half to him.

- **Litigation History**:

- Violeta filed a complaint to annul the Deed of Waiver, claiming it was executed under fraud and undue influence, demanding damages.

- The trial court upheld the Deed of Waiver in favor of Horacio.

- On appeal, the Court of Appeals reversed the trial court's decision, declaring the Deed of Waiver void due to lack of consideration and it not complying with formal requirements for donations.

### Issues:

1. Was the Deed of Waiver valid and binding despite the C.A.'s ruling of it having no cause or consideration?

2. Did the Deed of Donation intend to establish an implied trust for co-ownership between Violeta and Horacio?

3. Was the counterclaim for partition and reconveyance barred by laches or prescription?

### Court's Decision:

1. **Deed of Waiver Validity**:

- The Supreme Court found the Deed of Waiver signed by Violeta to be voluntary and binding. The acknowledgment of co-ownership in the Deed of Waiver meant Violeta accepted the shared ownership concept.

2. **Intent of Co-Ownership and Implied Trust**:

- Evidence indicated that the land was to be shared between siblings. The crossing-out of the provision in the donation deed was ambiguous, and testimonies supported that Violeta held the title in trust for Horacio.

- Under Article 1449 of the Civil Code, an implied trust is created when the legal estate is conveyed but the donee has no beneficial interest or only a part of it.

3. **Laches and Prescription**:

- The Court recognized the family's internal dynamics and the confidential relationship between Violeta and Horacio. Laches, therefore, would not strictly apply in this context.

- Violeta's letters up to 1971 acknowledging co-ownership extended the trust's recognition, delaying the onset of laches or prescription.

**### Doctrine:**

1. **Implied Trust (Article 1449, Civil Code)**: When a donation indicates only part of the beneficial interest is intended for the donee, an implied trust is established.

2. **Recognition of Confidential Relationships in Laches**: Laches should be applied less strictly among relatives due to implicit trust.

**### Class Notes:**

- **Implied Trust** (Article 1449, Civil Code): A donation can create an implied trust when the donee is not the sole beneficial owner.

- **Doctrine of Laches**: Delay in action within confidential relationships (e.g., family) is less likely to invoke laches.

- **Fraud & Undue Influence**: Validating voluntary actions despite claims of coercion requires substantial evidence of voluntariness.

**### Historical Background:**

- **Post-War Philippines**: The case exemplifies family disputes over land ownership norms established during the mid-20th century in the Philippines, reflecting the importance of property and the nuances in familial arrangements and inheritance practices.