NIEVES REYES, PLAINTIFF AND APPELLEE, VS. ESMERANDO S. REYES, RAMON S. REYES AND FLORANTE S. REYES, DEFENDANTS/THIRD PARTYPLAINTIFFS AND APPELLANTS, VS. RICAMEL PRIMICIAS, MA. N...

Ponente: BALTAZAR-PADILLA, J.

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BALTAZAR-PADILLA, J.:

On appeal before US is the Decision[1] dated November 24, 2011 of the Regional Trial Court (RTC) of Lingayen, Pangasinan, Branch 37 and the Order[2] dated February 17, 2012 denying the motion for reconsideration thereof, which granted herein plaintiff-appellee's Complaint for Recovery of Possession and Damages against defendants-appellants in Civil Case No. 18439.

The facts as established from the pleadings of the parties are as follows:

The subject of the present controversy is a parcel of residential land denominated as Lot 6106, with an area of 1,732 square meters covered by Original Certificate of Title (OCT) No. P-29384[3] located at Barangay Libsong West, Lingayen, Pangasinan. On October 6, 2003, plaintiff-appellee instituted a complaint for Recovery of Possession and Damages against defendants-appellants before the RTC of Lingayen, Pangasinan. In her complaint[4], she alleged that she sold one-half (1/2) portion of the disputed property to Ricardo Primicias, Ma. Nieves Primicias, Ricamel Primicias and Jose Jesus Primicias. However, the latter were not able to occupy the subject property since defendants-appellees, who are her siblings, were in possession thereof. She further claimed that defendants-appellees threatened her and erected their houses on the said one-half (1/2) portion of the property in question. The parties already exerted efforts to amicably settle the extant dispute but to no avail. Plaintiff-appellee prayed that she be paid the amount of P100,000 as moral damages, P50,000 as exemplary damages and P40,000 as attorney's fees.

In their Answer with Third-Party Complaint[5], defendants-appellants averred that the contested property is co-owned by them and plaintiff-appellee as siblings. The subject property was registered in the name of plaintiff-appellant only as a trustee. Defendants-appellants already constructed their respective houses thereon even before the same was registered in plaintiff-appellee's name. They have likewise been occupying their respective portions of the property continuously and in the concept of an owner. Around October 2002, a portion of 300 square meters of the subject property was sold by plaintiiff-appellee to Ricamel Primicias, Ma. Nieves Primicias and Jose Primicias. Again, in December 2002, plaintiff-appellee sold another 555 square meters of the same property to Ricardo Primicias. These transactions were without defendants-appellants' knowledge and consent.

In addition, defendants-appellants impleaded the third-party defendants as the buyers of certain portions of the lot in question. Defendants-appellants alleged that third-party defendants bought the subject property from plaintiff-appellee despite their knowledge that defendants-appellants co-owned the same with plaintiff-appellee and their mother. Since the third-party defendants acted in bad faith when they bought portions of the subject lot

from plaintiff-appellee, the sales should consequently be declared as null and void. Defendants-appellants also pleaded that they be awarded the amounts of P200,000 as moral damages, P10,000 as litigation expenses, P20,000 as attorney's fees and P1,000 for every appearance of their counsel in court.[6]

An Answer to the Third-Party Complaint[7] was thereafter filed by the third-party defendants. They asserted that they bought one-half (1/2) western portion of the contested property in two separate sales in good faith. They further maintained that third-party plaintiffs (defendants-appellants) have no claim, share or interest over the contested lot. They asserted that the said lot was originally bought by plaintiff-appellee from third persons. Third-party plaintiffs only impleaded them as parties in this case because they want to prolong their unlawful occupation of the contested lot. The third-party plaintiffs' objections only arose when they were told by plaintiff-appellee that they have to vacate the subject lot as she will sell its remaining portion to third-party defendants.

After trial on the merits, the trial court rendered the herein assailed Decision in favor of plaintiff-appellee, disposing as follows, viz:

> "WHEREFORE, premises considered, judgment is hereby rendered:
>
> 1. ordering defendants to vacate the portion of land covered by plaintiff's OCT No. P-29384 and to deliver possession thereof to the plaintiff;
>
> 2. dismissing plaintiff's claim for moral and exemplary damages and for attorney's fees;
>
> 3. dismissing defendants' counterclaim and thrid party complaint.
>
> SO ORDERED."

In its Order dated February 17, 2012, the lower court denied defendants-appellants' motion for reconsideration of the aforesaid Decision.

Hence, the extant appeal submitting the following errors for OUR resolution, to wit:

> I
>
> THE HONORABLE COURT A QUO COMMITTED REVERSIBLE ERROR IN NOT FINDING THE TRANSFER OF TITLE IN THE NAME OF APPELLEE, NIEVES IS MERELY BY IMPLIED TRUST.
>
> II
>
> THE HONORABLE COURT A QUO COMMITTED REVERSIBLE ERROR IN [NOT] FINDING THIRD PARTY DEFENDANTS' PURCHASE OF THE PORTION OF THE LAND [AS] INVALID IT BEING MADE IN BAD FAITH AS THEY HAVE PRIOR KNOWLEDGE [THAT] THE SELLER NIEVES REYES HAS NO MORE INTEREST TO SELL TO THEM.

The main issue is whether the evidence on record proves the existence of an implied trust between plaintiff-appellee and defendants-appellants.

Defendants-appellants argue that the lower court erred in not declaring that the transfer of the contested property in the name of plaintiff-appellee was merely by way of an implied trust. The disputed property was inherited by their father, Ignacio Reyes (Ignacio), from their grandfather, Cirilo Reyes (Cirilo). It was agreed upon that the disputed property shall only be registered in the name of plaintiff-appellee so that the latter can secure a loan using the same as mortgage. The proceeds of the loan will be used for the renovation of the house of Cirilo which was erected on the said lot. It was only the title which was transferred in the name of plaintiff-appellee but the beneficial use was enjoyed by all the heirs of Cirilo, including herein defendants-appellants. Clearly, a resulting

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trust was created between the parties. A resulting trust arises where a person makes or causes to be made a disposition of property under circumstances which raise an inference that he does not intend that the person taking or holding the property should have the beneficial interest in the property. It is founded on the presumed intention of the parties, and it arises where, and only where such may be reasonably presumed to be the intention of the parties, as determined from the facts and circumstances existing at the time of the transaction out of which it is sought to be established.[8]

Defendants-appellants aver that the trial court likewise erred in not finding that the purchase by the third-party defendants of the contested lot was null and void. The latter knew that the subject lot is being occupied and is co-owned by defendants-appellants with plaintiff-appellee. The sale of the said lot was certainly tainted with malice and made in bad faith. Moreover, as co-owners of the subject lot, defendants-appellants also erected their houses thereon and used it as collaterals in the loans they obtained. It was therefore erroneous for the trial court to hold that the beneficial use of the property in question by the heirs of Cirilo was only an act of benevolence on the part of plaintiff-appellee.[9]

On the other hand, plaintiff-appellee maintains that she is the registered owner of the subject lot under OCT No. P-29384. There is no truth to defendants-appellants' claim that she only held the contested lot as a trustee for the purpose of obtaining a loan from a bank in order that the proceeds will be used for the renovation of the house which was erected thereon. She acquired the disputed lot from her grandfather Cirilo through an Affidavit of Self Adjudication and Absolute Sale. In 1976, Cirilo and his children, one of whom is Ignacio, herein defendants-appellants' father, executed a Deed of Quitclaim and Ratification of the Affidavit of Self-Adjudication and Absolute Sale over the questioned lot in her favor. Hence, as its registered owner she can freely dispose of the said property as she had when she sold portions of it to third-party defendants. If defendants-appellants believed that they were indeed co-owners of the contested lot, they should have objected as early as the time when portions of the subject lot were sold in two separate occasions to third-party defendants.[10]

Plaintiff-appellee likewise asserts that an implied trust does not find application in the instant case for the following reasons, to wit: (1) she solely purchased the subject property since she was the only one among her brood who has the means to buy it; (2) the said property was owned by their grandfather Cirilo and not by their father Ignacio, who was defendants-appellants' immediate ascendant from whom they would directly inherit; (3) at the time of the execution of the Affidavit of Self-Adjudication and Absolute Sale by Cirilo in her favor, defendants-appellants do not have any right over the contested property as the same was owned by Cirilo who was still alive at that time, thus, he freely conveyed the said property to plaintiff-appellee; (4) the parties' grandfather Cirilo validly disposed of the disputed property to plaintiff-appellee as manifested by the Affidavit of Self-Adjudication and Absolute Sale and the Deed of Quitclaim and Ratification of the Affidavit of Self-Adjudication and Absolute Sale which he and his children, respectively, executed in her favor; (5) Cirilo and his children did not question, impugn or repudiate the conveyance they made in favor of plaintiff-appellee.[11]

Finally, plaintiff-appellee asseverates that 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 proved 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. Evidently, the testimonies of defendants-appellants that it was the intention of their grandfather Cirilo that the property in dispute was only to be placed in the name of plaintiff-appellee for the purpose of obtaining a loan over it, is quite vague. The said testimonies do not categorically prove that a trust relationship was created between the parties.[12]

As per Resolution dated January 13, 2014, this Court noted that the third party defendants/appellees failed to file

their Brief.[13]

The appeal is bereft of merit.

A resulting trust is explained in Article 1448 of the Civil Code, which reads:

> "Art. 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."

The elements of a resulting trust under the first sentence of the afore-mentioned provision are as follows: (a) an actual payment of money, property or services, or an equivalent, constituting valuable consideration; and (b) such consideration must be furnished by the alleged beneficiary of a resulting trust.[14] Jurisprudence holds that the principle of a resulting trust is based on the equitable doctrine that valuable consideration and not legal title determines the equitable title or interest and are presumed always to have been contemplated by the parties. They arise from the nature or circumstances of the consideration involved in a transaction whereby one person thereby becomes invested with legal title but is obligated in equity to hold his legal title for the benefit of another.[15]

WE find that the aforesaid elements are not present in the extant case. No resulting trust was constituted between plaintiff-appellee and defendants-appellants. Records are scant of evidence that plaintiff-appellee was merely a trustee of defendants-appellants as regards the subject lot and that it was the latter as beneficiaries who provided the money for the purchase of the same. Plaintiff-appellee bought the contested lot for herself and not for the benefit of her siblings, herein defendants-appellants. WE quote the pertinent portion of the Affidavit of Self-Adjudication and Absolute Sale[16] executed by the parties' grandfather Cirilo, in favor of plaintiff-appellee, thus:

> "THAT for and in consideration of the sum of THREE THOUSAND PESOS (P3,000.00), Philippine Currency, the receipt of which is hereby acknowledged to the full satisfaction of Cirilo Reyes, does by these presents, SELL, TRANSFER, and CONVEY unto the said Miss NIEVES S. REYES, single, of legal age, Filipino Citizen, and with residence and postal address at Libsong West, Lingayen, Pangasinan, Philippines, her heirs and assigns."

On August 9, 1976, a Deed of Quitclaim and Ratification of the Affidavit of Self Adjudication and Absolute Sale[17] was executed by Cirilo Reyes and his children, namely, Marciana Reyes, Emiliano Reyes, Emilio Reyes, Wilfredo Reyes and the parties' father Ignacio, which transferred, conveyed, waived and quit-claimed their rights over the questioned lot to plaintiff-appellee. The relevant portion of the said document states, viz:

> "NOW THEREFORE, we the undersigned do hereby deliver peaceful possession and lawful ownership over the aforementioned parcel of land indicated above in favor of Miss NIEVES REYES, and we further RATIFIED, WAIVED, RECOGNIZED and QUITCLAIMED all our rights, interest, action and participation over the aforecited parcel of residential land; and we recognized and acknowledged the Affidavit of Self-Adjudication and Absolute Sale in the amount of P3,000.00 in favor of Miss Nieves S. Reyes x x x x"

To corroborate, plaintiff-appellee testified that she is the absolute owner of the lot in dispute which was registered in her name under OCT No. P-29384. She was paying the realty taxes of the subject property as shown by Tax Declarations Nos. 00091 and 00092. An Affidavit of Self-Adjudication and Absolute Sale and a Deed of Quitclaim and Ratification of the Affidavit of Self Adjudication and Absolute Sale were executed in her favor by Cirilo Reyes and his children. Defendants-appellants were occupying the subject lot with her permission and that they were informed when she sold portions of the disputed lot to third-party defendants, the Primicias.[18]

For his part, defendant-appellant Ermerando Reyes (Ermerando) alleged that the subject lot is co-owned by him and his siblings, namely, plaintiff-appellant Nieves, Florante Reyes, Ramon Reyes, Rolando Reyes, Josefino Reyes, Zenaida Reyes, Imelda Reyes, Marcelino Reyes and Florie Reyes. The said lot was merely placed in the name of plaintiff-appellee for the purpose of using it as a collateral for the loan that they obtained for the renovation of the house of their grandfather Cirilo. Plaintiff-appellee sold portions of the subject lot to the Primicias without their consent. He and his other siblings executed an affidavit of adverse claim but the same was not annotated on the title of the lot in question.[19]

Likewise, defendant-appellant Ramon Reyes (Ramon) was presented to corroborate Ermerando's testimony that the contested property was merely placed in the name of plaintiff-appellee to obtain a loan for the repair of the house of Cirilo which was situated on the same lot.[20]

WE agree with the detailed disquisitions of the trial court on this point, viz:

> "It is clear from the aforecited Deeds that the ownership of the subject land was transferred to the plaintiff not only by Cirilo Reyes but also his children, namely, Marciano Reyes, Emiliano Reyes, Emilio Reyes, Wilfredo Reyes and Ignacio Reyes, father of plaintiff and defendants. It must be emphasized that defendants herein are not the immediate heirs of Cirilo Reyes. Their father, Ignacio Reyes, was still alive at the time of the sale and in fact waived his right in the subject land together with his siblings. The defendants herein cannot be considered as the beneficial owners of the land or may be considered as parties pour atrui who can presently question the true intent between plaintiff Nieves Reyes and Cirilo Reyes and his children in the Deed of Self-Adjudication and Absolute Sale. Thus, the best evidence of the sale of the land in dispute is the Deed of Self-Adjudication and Absolute Sale.
>
> X x x x For the defendants and their predecessors-in-interest to allow the land to remain titled in the name of the plaintiff for more than 25 years despite the alleged simulated transfer of ownership to her, defies understanding. Hence, the conclusion is inescapable that the subject land was actually sold to the plaintiff as appearing in the deed of sale."

The evidence presented by defendants-appellants fail to convince US that there exists a trust over the subject property. What is crucial is the intention to create a trust. Intention is always an element of a resulting trust and may be inferred from the acts or conduct of the parties rather than from direct expression of conduct.[21] Here, apart from their affidavit of adverse claim[22] which was not even annotated on the title of the subject property and their unsubstantiated testimonies, defendants-appellants were not able to prove that they were the ones who actually purchased the property in question and that they merely asked plaintiff-appellee to hold it as trustee. It is a basic rule of evidence that bare allegations, unsubstantiated by evidence, are not equivalent to proof.[23] On the other hand, plaintiff-appellee has proven her claim against defendants-appellants not only by testimonial evidence but also by sufficient pieces of documentary evidence. The Affidavit of Self-Adjudication and Absolute Sale and the Deed of Quitclaim and Ratification of the Affidavit of Self Adjudication and Absolute Sale executed by Cirilo and the latter's children in her favor validly conveyed the subject property to her. As its absolute owner, she necessarily has the right to exercise any act of dominion over the said lot including the sale of portions thereof to third persons for which defendants-appellants' consent is not essential. WE hold that as between defendants-appellants' bare allegations of an implied resulting trust agreement, and the Affidavit of Self-Adjudication and Absolute Sale and the Deed of Quitclaim and Ratification of the Affidavit of Self Adjudication and Absolute Sale presented by plaintiff-appellee, the latter documents should prevail.

Furthermore, plaintiff-appellee also presented tax declarations to prove that she paid the real property taxes of the subject property. The High Court consistently holds that although tax declarations are not conclusive evidence of ownership, nevertheless, they are good indicia of possession in the concept of owner, for no one in his right mind

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would be paying taxes for a property that is not in his actual or at least constructive possession.[24]

It is a well-entrenched rule that 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 proved 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.[25]

Consequently, it necessarily follows that third-party defendants validly acquired ownership over the portions of the questioned property that were sold to them by plaintiff-appellee. Otherwise stated, since plaintiff-appellee is the absolute owner of the land in question, which was registered under the Torrens system, she could by way of sale transfer the ownership thereof to third-party defendants. No fault can be attributed to third-party defendants for relying on the face of the title presented by plaintiff-appellee since persons dealing with property covered by a Torrens certificate of title are not required to go beyond what appears on its face.[26] A Torrens title is the best evidence of ownership over registered land and, unless annulled in an appropriate proceeding, the title is conclusive on the issue of ownership.[27] Title is the union of all the elements, i.e., as ownership, possession and custody, constituting the legal right to control and dispose of property. It is the legal link between a person who owns the property and the property itself.[28]

As a final note, the factual findings of the trial court are generally accorded great weight and respect on appeal, especially when such findings are supported by substantial evidence on record. It is only in exceptional circumstances, such as when the trial court overlooked material and relevant matters, that this Court will re-calibrate and evaluate the factual findings of the court below.[29] The present case does not fall under the exceptions, thus, WE find no necessity to overturn the lower court's factual findings.

IN VIEW OF ALL THE FOREGOING, the extant appeal is hereby DISMISSED for lack of merit. Accordingly, the impugned Decision dated November 24, 2011 and the Order dated February 17, 2012 of the trial court are AFFIRMED.

SO ORDERED.

Tijam, (Chairperson), and Reyes-Carpio, JJ., concur.

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[1] Records at 186-197.

[2] Records at 204.

[3] Records at 6-7.

[4] Records at 2-4.

[5] Records at 18-20.

[6] Ibid.

[7] Records 31-32.

[8] Rollo at 25-37. Appellants' Brief.

[9] Rollo at 34-38. Appellants' Brief.

[10] Rollo at 79-81; 85-86. Brief for Plaintiff-Appellee.

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[11] Rollo at 81. Brief for Plaintiff-Appellee.

[12] Rollo at 80-81. Brief for Plaintiff-Appellee.

[13] Rollo at 97.

[14] Rodolfo Tigno et al. vs. Court of Appeals et al., G.R. No. 110115, October 8, 1997.

[15] Jose Juan Tong et al. vs. Go Tiat Kun et al., G.R. No. 196023, April 21, 2014.

[16] Records at 137.

[17] Records at 138.

[18] TSN dated February 22, 2006 at 2-16.

[19] TSN dated December 3, 2008 at 9-22.

[20] TSN dated May 21, 2009 at 2-12.

[21] Supra, Jose Juan Tong et al. vs. Go Tiat Kun et al.

[22] Records at 176-177.

[23] Theresita Juan et al. vs. Jose and Sonia Monteiro, G.R. No. 201011, January 27, 2014.

[24] Republic vs. Heirs of Doroteo Montoya, G.R. No. 195137, June 13, 2012.

[25] Ty vs. Ty, G.R. No. 165696, April 30, 2008.

[26] See Saberon et al. vs. Ventanilla, Jr. et al., G.R. No. 192669, April 21, 2014.

[27] Datu Kiram Sampaco vs. Hadji Serad Mingca Lantud, G.R. No. 163551, July 18, 2011.

[28] Severino Manotok IV et al. vs. Heirs of Homer Barque, G.R. Nos. 162335 & 162605, December 18, 2008.

[29] Roño Seguritan vs. People, G.R. No. 172896, April 19, 2010.

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