

**RUFINO BUENO, FILOMENA B. GUERRERO, LUIS B. GUERRERO,
BENJAMIN B. GUERRERO, VIOLETA B. REYES-SAMONTE, FELICIDAD
B. REYES-FONACIER, MERCEDES B. REYES, HONESTA B.
REYES-SARMIENTO,...**

G.R. No. L-22587. April 28, 1969

Ponente: MAKALINTAL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/2e14bf99ce4d/>

MAKALINTAL, J.:

In Civil Case No. 3636 of the Court of First Instance of Ilocos Norte, the plaintiffs' complaint was dismissed, upon motion of the defendants, in an order dated July 29, 1963. The case is before us on appeal from the said order of dismissal.

The antecedent facts are as follows: On January 7, 1936 Francisco H. Reyes filed an answer in Cadastral Case No. 47 of Ilocos Norte, claiming lot No. 2357 of the Laoag Cadastre as property belonging to himself and to his two brothers, Juan and Mateo. The case was heard without opposition, and the lot was adjudicated in favor of the claimants on March 27, 1939, in whose names original certificate of title No. 19074 was issued on the following July 7.

Twenty-three years thereafter, or on December 12, 1962 to be exact, the plaintiffs filed the action below for reconveyance of lot No. 2357. They allege in their complaint that the said lot originally belonged to Jorge Bueno, who died leaving three children, namely, Brigida Bueno, Eugenia Bueno and Rufino Bueno, to whom the pro-perty descended by intestate succession; that subsequently Brigida and Eugenia died, leaving their respective children, who are now the plaintiffs-appellants together with Rufino Bueno; that Francisco H. Reyes was Eugenia's husband and the father of the plaintiffs surnamed Reyes, "who by agreement among the heirs of Jorge Bueno was entrusted in filing the answer in the cadastral proceedings and in obtaining the title thereto for and in behalf of all the heirs of Jorge Bueno, including his wife Eugenia Bueno." (Par. V of the complaint.)

The other pertinent allegations in the complaint read:

VI

"That as agreed upon with said Francisco Reyes, said Francisco Reyes declared the said parcel of land above-described in his name, and either in bad faith or by mistake filed an answer in the cadastral proceedings and obtained title thereto in his name and those of brothers, Mateo and Juan, who connived and consented to the malicious or erroneous acts of the late Francisco Reyes, knowing fully well that said parcel of land was never owned by them and has never been in their possession, and knowing further that said parcel of land belonged to, and possessed by the wife of Francisco Reyes in conjunction with her sister and brother, Brigida and Rufino, respectively;

VII

"That the fact that Francisco Reyes, Mateo Reyes and Juan Reyes are declared owners of the lot in suit by virtue of Original Certificate of Title No. 19074 has only been discovered during this year when Mateo Reyes and Juan Reyes, the defendants herein, including Francisco Reyes who was dead long ago, filed with this Court a petition for the issuance of a writ of possession against a wrong person by the name of Mateo R. Reyes, who now admittedly (sic) not the possessor of the lot but plaintiffs herein, and the plaintiffs have demanded from the defendants the reconveyance and/or the quitclaiming of their undivided shares as appearing in said Certificate of Title No. 19074 but then, they refused, and continue to refuse to do so;"

The defendants Juan and Mateo Reyes^[1] filed their answer, in which they raised a number of defenses, including Laches, imprescriptibility of title, and prescription of action. This last defense was reiterated in a subsequent motion to dismiss, which was upheld by the court a quo in the order already referred to and now subject of this appeal.

Two errors are assigned by the appellants: (1) in the dismissal of the complaint on the ground of prescription; and (2) in the dismissal of the complaint "even in relation to appellants surnamed Reyes, the children of Francisco Reyes."

Both the appellees and the court below proceeded on the theory that the action for reconveyance was predicated on the existence of an implied trust, and that such an action prescribes in 10 years. The appellants counter in this appeal, that the trust was not implied but express, and that in any case even an implied trust, according to some decisions of this Court, is imprescriptible.

The first prong of the appellants' argument is untenable. What was apparently designed to be an express trust, as alleged in paragraph V of the complaint, was for the late Francisco H. Reyes to file an answer in the cadastral proceeding and to obtain title to the land for and in behalf of all the heirs of Jorge Bueno.^[2] But such express trust failed to materialize. In the next paragraph of the complaint Francisco H. Reyes is charged with "either bad faith or mistake" in filing the cadastral answer and obtaining title to the property in his own name and in the names of his two brothers, Juan and Mateo, "who connived and consented to the (said) malicious or erroneous acts."

If any trust can be deduced at all from the foregoing facts it was an implied one, arising by operation of law not from any presumed intention of the parties but to satisfy the demands of justice and equity and as a protection against unfair dealing or downright fraud. Indeed, in this kind of implied trust, commonly denominated constructive, as distinguished from resulting, trust, there exists a certain antagonism between the cestui que trust and the trustee. Thus, for instance, under Article 1456 of the Civil Code, "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." In a number of cases this Court has held that registration of property by one person in his name, whether by mistake or fraud, the real owner being another person, impresses upon the title so acquired the character of a constructive trust for the real owner, which would justify an action for reconveyance.^[3]

While there are some decisions which hold that an action upon a trust is imprescriptible, without distinguishing between express and implied trusts, the better rule, as laid down by this Court in other decisions, is that prescription does supervene where the trust is merely an implied one.^[4] The reason has been expressed by Justice J.B.L. Reyes in *J.M. Tuason and Co., Inc. vs. Magdangal*, 4 SCRA, 84, 88, as follows:

"Under Section 40 of the old Code of Civil Procedure, all actions for recovery of real property prescribed in 10 years, excepting only actions based on continuing or subsisting trusts that were considered by section 38 as

imprescriptible. As held in the case of *Diaz v. Gorricho*, L-11229, March 29, 1958, however, the continuing or subsisting trusts contemplated in section 38 of the Code of Civil Procedure referred only to express unrepudiated trusts, and did not include constructive trusts (that are imposed by law) where no fiduciary relation exists and the trustee does not recognize the trust at all."

Upon the general proposition that an action for reconveyance such as the present is subject to prescription in ten years the appellees and the court a quo are correct. The question here, however, is: from what time should the prescriptive period be counted, in the light of the allegations in the complaint? It should be remembered that the constructive trust arose by reason of the "bad faith or mistake" of the deceased Francisco H. Reyes, compounded by the "connivances" the appellees Juan and Mateo Reyes. Consequently, the cause of action upon such trust must be deemed to have accrued only upon the discovery of such bad faith or mistake, or to put it more specifically, upon the discovery by the appellants that Francisco H. Reyes, in violation of their agreement with him, had obtained registration of the disputed property in his own name and in the names of his brothers. It would not do to say that the cadastral proceeding itself, by virtue of its nature as a proceeding in rem, was constructive notice to the appellants, for as far as they were concerned the cadastral answer they had authorized. Francisco H. Reyes to file was not adverse to them; and neither he nor the appellees may invoke the constructive-notice rule on the basis of their own breach of the authority thus given. On top of all this, it was the appellants and not the appellees who were in possession of the property as owners, continuously up to 1962, when for the first time the latter appeared upon the scene and tried to get such possession, thereby revealing to them the fact of the mistaken or fraudulent registration.

The foregoing, of course, are not facts already established by evidence. But they are alleged in the complaint and therefore deemed hypothetically admitted for purposes of the motion to dismiss filed by the defendants. To be sure, there are contradictory allegations of fact in the answer, but these are matters of defense that must be substantiated at the trial. At the very least the grounds upon which the order of dismissal is based do not appear to us to be indubitable; and it would be more in keeping with justice to afford the plaintiffs as well as the defendants the opportunity to lay their respective claims and defenses before the Court in a full-blown litigation.

With this view we take of the case, it is unnecessary to take up the second error assigned.

Wherefore, the order appealed from is set aside and the case is remanded for further proceedings. No costs.

Reyes, J.B.L., Acting C.J., Dizon, Zaldivar, Sanchez, Fernando, Capistrano, Teehankee, and Barredo, JJ., concur. Concepcion, C.J., voted in favor of this opinion before going on official leave.

Castro, J., on leave, did not take part.

[1] Francisco H. Reyes died in 1956.

[2] Incidentally, as pointed out by the appellees, an express trust concerning immovable property, may not be proved by parol evidence (Act 1443, Civil Code); and there is no allegation that the supposed trust agreement was made in writing.

[3] *De Ocampo v. Zaporteza*, 53 Phil. 442; *Gayondato v. Treasurer of P.I.*, 49 Phil. 244; *Gemora, et al. v. F.M. Yap Tico & Co., et al.*, 52 Phil. 161; *Fabian v. Fabian*, G. R. No. L-20449, January 29, 1968.

[4] *Alzona v. Capunitan*, G. R. No. L-10228, February 28, 1962, (4 SCRA, p. 450) and the cases cited; *Gerona, et al. v. De Guzman, et al.*, G. R. No. L-19060, May 29, 1964; *Gonzales vs. Jimenez, et al.*, G. R. No. L-19073, January 30, 1965; *Cuaycong et al. v. Cuaycong*, G. R. No. L-21616, December 11, 1967; *Fabian v. Fabian*, supra).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.