

HEIRS OF EMILIO CANDELARIA, ETC., PLAINTIFF AND APPELLANT, VS. LUISA ROMERO, ET AL., DEFENDANTS AND APPELLEES.

G.R. No. L-12149. September 30, 1960

Ponente: GUTIERREZ DAVID, J.

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GUTIERREZ DAVID, J.:

This is an appeal from an order dismissing plaintiff's complaint for reconveyance of real property with damages. The dismissal was ordered on a mere motion to dismiss before answer was filed.

The complaint, which was filed on December 20, 1956 by Ester Candelaria in her own behalf and in representation of the other alleged heirs of Emilio Candelaria, alleges in substance that sometime prior to 1917 the latter and his brother Lucas Candelaria bought each a lot in the Solokan Subdivision on the installment basis; that Lucas paid the first two installments corresponding to his lot, but faced with the inability of meeting the subsequent installments because of sickness which caused him to be bedridden, he sold his interest therein to his brother Emilio, who then reimbursed him the amount he had already paid, and thereafter continued payment of the remaining installments until the whole purchase price had been fully satisfied; "that although Lucas Candelaria had no more interest over the lot, the subsequent payments made by Emilio Candelaria until fully paid were made in the name of Lucas Candelaria, with the understanding that the necessary documents of transfer will be made later, the reason that the transaction being from brother to brother"; that in 1918 a transfer certificate of title for said lot was issued by the register of deeds of Manila in the name of "Lucas Candelaria married to Luisa Romero"; that Lucas held the title to said lot merely in trust for Emilio and that this fact was acknowledged not only by him but also by the defendants (his heirs) on several occasions; that Lucas' possession of the lot was merely tolerated by Emilio and his heirs; that from the time Emilio bought the lot from his brother, Lucas had been collecting all its rents for his own use as financial aid to him as a brother in view of the fact that he was bedridden without any means of livelihood and with several children to support, although from 1926, when Emilio was confined at the Culion Leper Colony up to his death on February 5, 1936, Lucas had been giving part of the rents to Fortunata Bautista, the second wife of Emilio, in accordance with the latter's wishes; that Lucas died in August, 1942, survived by the present defendants, who are his spouse Luisa Romero and several children; and that said defendants are still in possession of the lot, having refused to reconvey it to plaintiff despite repeated demands.

Instead of answering the complaint, the defendants filed a motion to dismiss, alleging, among other things, that plaintiff's cause of action is unenforceable under the new Civil Code and that the action has already prescribed. And the court having upheld the motion, plaintiff took this appeal.

In the order granting the motion dismiss, the lower court held that an express and not an implied trust was created as may be gleaned from the facts alleged in the complaint, which is unenforceable without any writing, and that since Transfer Certificate of Title No. 9584 covering the land in question had been issued to Lucas Candelaria way-back in 1918 or 38 years before the filing of the complaint, the action has already prescribed.

The trust alleged to have been created, in our opinion, is an implied trust. As held, in effect, by this Court in the case of *Martinez vs. Graño* (42 Phil., 35), where property is taken by a person under an agreement to hold it for, or convey it to another or the grantor, a resulting or implied trust arises in favor of the person for whose benefit the property was intended. This rule, which has been incorporated in the new Civil Code in Art. 1453 thereof, is founded upon equity. The rule is the same in the United States, particularly where, on the faith of the agreement or understanding, the grantee is enabled to gain an advantage in the purchase of the property or where the consideration or part thereof has been furnished by or for such other. Thus, it has been held that where the grantee takes the property under an agreement to convey to another on certain conditions, a trust results for the benefit of such other or his heirs, which equity will enforce according to the agreement. (89 C. J. S. 960). It is also the rule there that an implied trust arises where a person purchases land with his own money and takes a conveyance thereof in the name of another. In such a case, the property is held on a resulting trust in favor of the one furnishing the consideration for the transfer, unless a different intention or understanding appears. The trust which results under such circumstances does not arise from contract or agreement of the parties, but from the facts and circumstances, that is to say, it results because of equity and arises by implication or operation of law. (See 89 C. J. S. 964-968.)

In the present case, the complaint expressly alleges that "although Lucas Candelaria had no more interest over the lot, the subsequent payments made by Emilio Candelaria until fully paid were made in the name of Lucas Candelaria, with the understanding that the necessary documents of transfer will be made later, the reason that the transaction being brother to brother." From this allegation, it is apparent that Emilio Candelaria who furnished the consideration intended to obtain a beneficial interest in the property in question. Having supplied the purchase money, it may naturally be presumed that he intended the purchase for his own benefit. Indeed, it is evident from the above-quoted allegation in the complaint that the property in question was acquired by Lucas Candelaria under circumstances which show that it was conveyed to him on the faith of his intention to hold it for, or convey it to the grantor, the plaintiff's predecessor in interest.

Constructive or implied trusts may, of course, be barred by lapse of time. The rule in such trusts is that laches constitutes a bar to actions to enforce the trust, and repudiation is not required, unless there is concealment of the facts giving rise to the trust. (*Diaz, et al. vs. Gorricho, et al.*, 103 Phil., 261; 54 Off. Gaz. [37] 8429.) Continuous recognition of a resulting trust, however, precludes any defense of laches in a suit to declare and enforce the trust. (See 581, 54 Am. Jur. pp. 448-450.) The beneficiary of a resulting trust may, therefore, without prejudice to his right to enforce the trust, prefer the trust to persist and demand no conveyance from the trustee. It being alleged in the complaint that Lucas held the title to the lot in question merely in trust for Emilio and that this fact was acknowledged not only by him but also by his heirs, herein defendants—which allegation is hypothetically admitted—we are not prepared to rule that plaintiff's action is already barred by lapse of time. On the contrary, we think the interest of justice would be better served if she and her alleged co-heirs were to be given an opportunity to be heard and allowed to present proof in support of their claim.

Wherefore, the order of dismissal appealed from is hereby reversed and the case remanded to the court a quo for further proceedings. So ordered without costs.

Paras, C. J., Bengzon, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, and Dizon, JJ., concur.

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