

EDGARDO ALLAN ALIB, PLAINTIFF-APPELLANT, VS. FORTUNATO D. JAVERO, JR. AND JOHN DOE, DEFENDANTS-APPELLEES,

Ponente: LOPEZ, J.

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LOPEZ, J.:

Edgardo Allan Alib, both plaintiff and defendant in this consolidated case[1], appeals from the February 22, 2005 Decision[2] of the Regional Trial Court, Branch 51 of Bacolod City in Civil Case No. 98-10269 for Delivery and Recovery of Personal Property with Damages and with Prayer for a Writ of Possession and Civil Case No. 98-10285 for Specific Performance with Prayer for Issuance of Temporary Restraining Order, the dispositive portion of which states;

“WHEREFORE, in view of the foregoing, the Court hereby renders judgment as follows:

- Re: Civil Case No. 98-10269:

CIVIL CASE NO. 98-10269 entitled “EDGARDO ALLAN P. ALIB, Plaintiff vs. FORTUNATO D. JAVERO, JR., and JOHN DOE, Defendants” is hereby DISMISSED for lack of merit;

- Re: Civil Case No. 98-10285:

FORTUNATO JAVERO, JR. is hereby declared the TRUE and RIGHTFUL OWNER of one unit of ISUZU JEEPNEY, with MOTOR NO. PAO 2401, SERIAL/CHASSIS NO. KC20DOF-207054 and PLATE NO. FVE-904, which is the subject motor vehicle in both Civil Cases Nos. 98-10269 and 98-10285;

- Edgardo Allan P. Alib is hereby ordered to return the subject matter motor vehicle to Fortunato Javero, Jr. and in case the return of the same is no longer possible, Edgardo Allan Alib is hereby ordered to pay Fortunato Javero Jr. the amount of P50,000.00 (Fifty thousand pesos) which is the purchase price paid by Fortunato

Javero Jr. for the purchase of the aforesaid motor vehicle;

- Edgardo Allan Alib is hereby ordered to pay the amount of P20,000.00 as attorney’s fees plus P1,000.00 per court appearance; and

- Edgardo Allan Alib is likewise ordered to pay the cost of this suit.

ORDERED.”[3]

UNDISPUTED FACTS

Appellant Edgardo Allan Alib is a businessman engaged in trucking and auto repair shop business. He is likewise a holder of a Certificate Public Convenience to operate passenger jeepney lines in Bacolod City. On the other hand, appellee Fortunato Javero, Jr. is appellant’s maintenance mechanic in the latter’s repair shop business.

The subject vehicle in this case is a passenger jeep described as follows:

Make: Isuzu

Type of body: Jeepney

Motor No.: PAO 2401

Serial/Chassis No.: KC20D0F-207054

Plate No.: FVE-904

Cert. of Registration No.: 06000118

Color :

Acrylic Red

Appellant Edgardo Allan Alib was the first to file his Complaint for Delivery and Recovery of Personal Property with Damages and with Prayer for a Writ of Possession on May 8, 1998 against appellee Fortunato Javero, Jr. On May 15, 1998, Regional Trial Court Branch 51 of Bacolod City granted[4] Alib's prayer for possession of the subject vehicle and a Writ of Replevin[5] was issued on May 20, 1998. Wronged and afflicted, appellee Javero instituted a case for Specific Performance with Prayer for Issuance of Temporary Restraining Order on May 20, 1998. As the two (2) cases involve the same parties and the same subject matter, appellee Javero moved[6] to consolidate the same, which was granted by the trial court, in an Order[7] dated August 4, 1998.

During the pre-trial conference on September 22, 1998, both parties presented their respective proposals for admission, witnesses and exhibits to be presented in court. The trial court likewise determined the main issue which pertains to the real owner of the subject vehicle. As both parties failed to reach an amicable settlement, the pre-trial conference was then terminated.[8] Hence, trial ensued.

Version of Fortunato Javero, Jr.

Sometime in September, 1994, Roberto Pahilanga, the previous owner of the subject Isuzu passenger jeepney[9], agreed to sell the vehicle to Fortunato Javero, Jr. for a consideration of Fifty Thousand Pesos (PhP50,000.00). However, during such time, Javero had no enough resources to pay for the vehicle. Hence, he obtained a loan from BACECO Finance Corporation utilizing the subject vehicle as a security for such loan, upon prior permission of Pahilanga. The agreement was that Javero will obtain the loan, under Pahilanga's name and then the proceeds of the same will be paid for the consideration of the jeepney.[10]

Meanwhile, Roberto Pahilanga had an existing loan with Lending Specialist Inc., with a balance of Thirty Five Thousand Pesos (PhP35,000.00). So as to pay such balance, Pahilanga and Javero agreed that the proceeds of the loan to be obtained from BACECO will be paid to Pahilanga's loan account with Lending Specialist, Inc. and the remaining proceeds of the loan will be given to Pahilanga.[11]

As agreed Roberto Pahilanga executed on September 26, 1994 a Chattel Mortgage[12] for the loan amounting to Fifty Five Thousand One Hundred Forty Pesos (PhP55,140.00). Out of the proceeds of the loan, Thirty Five Thousand Pesos (PhP35,000.00) was paid to Lending Specialist Inc., and the remaining Fifteen Thousand Pesos (PhP15,000.00) was given to Roberto Pahilanga. Consequently, Pahilanga and Javero executed a Deed of Sale[13] on September 29, 1994 as evidence for the purchase of the subject vehicle.

At the time the loan was granted, the subject vehicle was not yet operating as a passenger jeepney. In order for Javero to generate income from the use of the vehicle, a representative from BACECO Finance then advised him to obtain a franchise from Edgardo Alib, since during that time, the latter had a vacant franchise. Lured by the suggestion of the BACECO representative, it was then agreed that instead of changing the registration of the vehicle from Pahilanga to Javero, Pahilanga himself will execute a Deed of Sale with Assumption of Mortgage[14] in favor of Alib. Accordingly, the said document was executed on February 14, 1995 for a consideration of Forty-One Thousand Three Hundred Fifty Five Pesos (PhP41,355.00) instead of the actual loan of Fifty Thousand Pesos (PhP 50,000.00) as Javero already paid some of the monthly installments.[15]

Thereafter, the Certificate of Registration[16] of the subject vehicle was placed in the name of Edgardo Alib for the purpose of using of the latter's franchise to utilize the jeepney as a public utility vehicle with a route Bata-Libertad-Vice Versa.[17]

Upon the maturity of the loan with BACECO Finance, Javero did not have enough money to pay for the outstanding loan. Thus, he mortgaged his land in Bata Subdivision – Lot No. 27, Block 2 with an area of 239 square meters covered by Transfer Certificate of Title No. 146725[18] as a security for the loan which he obtained from Manapla Rural Bank amounting to One Hundred Thousand Pesos (PhP100,000.00) A portion of the proceeds of the loan, amounting to P36,760.00 was paid to BACECO Finance. Consequently, the mortgage was released[19] in Javero's favor on April 7, 1995. However, in the said Release of Mortgage[20], there appeared the name of Edgardo Alib because the Certificate of Registration of the subject vehicle was still under his name.[21]

When the loan with Manapla Rural Bank matured, Javero obtained another loan from Commercial Credit Corporation of Negros in the amount of One Hundred Thirty Eight Thousand Pesos[22] (PhP138,000.00) using the subject vehicle as collateral as evidenced by Chattel Mortgage[23] dated March 19, 1996. The proceeds of the loan only amounted to PhP91,244.92[24]. Javero was able to pay Manapla Rural Bank in the total amount of One Hundred Thousand

Pesos (PhP100,000.00). Accordingly, the rural bank issued a Cancellation or Release of Mortgage[25] on April 16, 1996.[26]

On December 5, 1997, to Javero's astonishment, he was subpoenaed by the Mandalagan Police to appear before them on the basis of a Complaint filed by Alib concerning his alleged taking of the subject vehicle. The people present were Javero and his wife, police investigator, Atty. Suarez, Edwin Pahilanga (the son of Roberto Pahilanga), the son of Barangay Captain Abaring, Mrs. Isabel Gregorio, Edgardo Alib and his wife.[27] During the said confrontation, Javero signed a Certification[28] stating that the subject vehicle was in his possession; and Edwin Pahilanga, the son of Roberto Pahilanga, executed an Affidavit[29] indicating that the owner of the subject passenger jeepney was Fortunato Javero, Jr who purchased the same from his father.

Corroborating the testimony of Javero were the declarations of Edwin Pahilanga, the son of Roberto Pahilanga and Mr. Dominador Villaluna, an employee of BACECO Finance Corporation who entertained both Pahilanga and Javero at the time of their processing of the loan executed on September 26, 1994.

Edwin Pahilanga positively avowed that he had knowledge of the transaction between his father, Roberto Pahilanga and Fortunato Javero, Jr. as he was a witness to the Deed of Sale executed between the two.[30] He was likewise cognizant of the agreement that the subject vehicle will be attached to the franchise of Edgardo Alib so that it can operate as a public utility vehicle.[31] Also, he testified that in the Deed of Sale with Assumption of Mortgage executed by both his father and Alib, there was a consideration of PhP41,355.00 but Alib never gave such amount of money to his father, Roberto Pahilanga.[32]

Mr. Dominador Villaluna, an employee of BACECO Finance, in like manner, confirmed Javero's declaration that the execution of the Deed of Sale with Assumption of Mortgage, based on the understanding of the parties at that time, was purely intended to attach the subject vehicle to Alib's franchise.[33] He insisted that the real owner of the vehicle is Fortunato Javero, Jr.[34]; that the subject of the Release of Mortgage dated April 7, 1995 was not Deed of Sale with Assumption of Mortgage executed by Pahilanga and Alib, but the Chattel Mortgage executed by Pahilanga and Javero, Jr. dated September 29, 1994[35]; and that the Release of Mortgage was issued in favor of Edgardo Alib only because the franchise and Certificate of Registration of the vehicle was issued under his name[36].

After the presentation of the witnesses for Javero, Jr., he formally submitted exhibits[37] “A” to “X” with their respective sub-markings on September 13, 2002, duly objected[38] to by Alib, but were all admitted in an Order[39] dated October 23, 2002.

Version of the Defendant-Appellee

Edgardo Allan Alib insisted that he was the one who purchased the subject vehicle from Roberto Pahilanga for a consideration of PhP41,355.00 sometime in February 14, 1995[40] as proven by the Deed of Sale with Assumption of Mortgage.[41] He came to know the original owner Roberto Pahilanga through appellee Fortunato Javero, Jr. One day, Fortunato Pahilanga came to him offering him three (3) jeepney units for sale. He went to Silay City to see the units himself and thereafter opted to buy the subject vehicle.[42]

Alib vouched that the vehicle was sold to him in the amount of more or less sixty thousand pesos (PhP60,000.00). So that the transfer of papers will be processed, he has to pay Pahilanga the amount of Fifteen Thousand Pesos (PhP15,000.00), initially a Far East Bank check with an amount PhP11,567.00[43] and PhP3,433.00 cash.[44] He then assumed Pahilanga’s loan with BACECO as evidenced by the Deed of Sale with Assumption of Mortgage and the proceeds of the loan in the amount of PhP41,355.00 was paid to the then existing loan account of Pahilanga with First Lending Specialist.

Alib claimed that he has already paid the amount of PhP41,355 to BACECO substantiated by the Release of Mortgage dated April 7, 1995[45] yet he could not produce any receipts of such payments.[46] After securing the Release of Mortgage, he had the registration of the vehicle transferred to his name and had the subject vehicle delivered to his house. However, due to the rusty and blemished condition of the jeepney which he thought badly needs repair, he returned the same to the repair shop.[47]

Alib asserted that at the time Javero left from his work without his permission, Javero brought the subject vehicle with him. Javero promised to pay for the value of the vehicle, but upon demand, refused to tender payment. Alib reported the incident to the police authorities[48], still Javero refused to pay for the value of the vehicle, much less return the same to Alib. Hence, Alib instituted the Replevin case against Javero, Jr.

After the presentation of evidence by Edgardo Alib, he submitted an Offer of Exhibits[49] on October 30, 2003, which were admitted[50] by the Court on November 17, 2003.

On February 22, 2005, the Regional Trial Court was convinced, by preponderance of evidence, that the actual owner of the subject vehicle is Mr. Fortunato Javero, Jr. In contrast to the overwhelming testimonial and documentary pieces of evidence submitted by Javero, all that Alib presented was his self-serving and uncorroborated testimony. He could not even present any receipts for the alleged payments he made to BACECO.

Feeling wronged, appellant Alib appeals the aforestated Decision assailing the following assignment of errors, to wit:

- I.
THE LOWER COURT GRAVELY ERRED IN RULING THAT FORTUNATO JAVERO, JR. OWNED THE VEHICLE SUBJECT OF THE CASE DESPITE THE EVIDENCE;
- II.
THE LOWER COURT COMMITTED GRAVE ERROR IN AWARDING ATTORNEY’S FEES IN FAVOR OF THE APPELLEE;
- III.
THE LOWER COURT GRAVELY ERRED IN AWARDING DAMAGES TO THE APPELLEE.[51]

OUR RULING

Appellant Edgardo Alib disputes the trial court's finding that Javero was the real owner of the subject vehicle on the basis of the following grounds:

- The Certificate of Registration of the subject vehicle indicated that he was its registered owner;
- Javero failed to present any proof evidencing that he had an agreement with him for a "kabit system" to operate the subject jeepney. What Javero presented was a mere alleged verbal agreement between them which were non-existent and were self-serving. Nowhere in the Deed of Sale with Assumption of Mortgage executed by him and Pahilanga did it state that the sale was only for the purpose of attaching the vehicle to his franchise;
- The trial court gave credence to the testimony of Edwin Pahilanga when in fact his testimony was inconsistent – such that he stated under oath that the loan came after the sale when in fact, the documents state otherwise. Other than that, Edwin Pahilanga was not a party to the sale transaction between Roberto Pahilanga and Javero, as he was a mere witness.
- The Deed of Sale executed by Roberto Pahilanga and Javero was not notarized, hence binding only between the two of them. On the other hand, the Deed of Sale with Assumption of Mortgage executed by him and Pahilanga was notarized, hence binding to the whole world. Javero could have gone after Roberto Pahilanga for executing a double sale, as the first Deed of Sale executed by Pahilanga and Javero did not bind him. He believed that he was the true and legal owner of the vehicle with the execution of the Deed of Sale with Assumption of Mortgage;
- Nowhere in the Chattel Mortgage dated September 26, 1994 did it state that Javero was the owner of the vehicle. In fact, the mortgagor was Roberto Pahilanga, and Javero's name only appeared in the space provided for the mortgagor's addresss.
- Javero's failure to register the vehicle under the latter's name after the alleged sale of Pahilanga to the latter was questionable. If indeed Javero was the true owner, he could have registered the vehicle under his name, and thereafter make a side contract with Alib for the "kabit agreement". However, he failed to do so, thus casting doubt on his ownership over the vehicle;
- Javero allegedly is estopped from claiming ownership over the vehicle as, even if he had all the chance to do so, failed to execute any document indicating his interest over the subject vehicle. Even after the release of the mortgage to Alib, Javero did not ask for a letter or an acknowledgment from Alib that he already made full payment to BACECO.

In essence, the primary issue is who between appellant Alib and appellee Javero, Jr. is the real and actual owner of the subject vehicle.

We find that Fortunato Javero, Jr. is the real and actual owner of the subject vehicle.

At the outset, suffice it to say that the factual findings and conclusion of the trial court are entitled to great weight and respect and will not generally be disturbed on appeal in the absence of a clear showing that the trial court overlooked certain facts or circumstances that would warrant a different disposition of the case.[52]

In the present case, the trial court exhaustively and comprehensively discussed the grounds for awarding the actual ownership of the subject vehicle to Javero. As correctly ruled by the trial court and contrary to the allegations of herein appellant, Javero, Jr. has substantially proven that he is the actual owner of the subject vehicle.

First, while it may be true that the Certificate of Registration of the subject vehicle was issued under the name of Alib, this does not signify that he was its actual and real owner. In *Chiao Liong Tan vs. Court of Appeals*[53], the Supreme Court ruled that "a certificate of registration of a motor vehicle in one's name indeed creates a strong

presumption of ownership. For all practical purposes, the person in whose favor it has been issued is virtually the owner thereof unless proved otherwise. In other words, such presumption is rebuttable by competent proof.”

In this case, records would show that Javero was able to present sufficient evidence to disprove or invalidate such presumption. Javero was able to prove that a Deed of Sale was executed between him and Roberto Pahilanga (the original owner of the subject vehicle) on September 29, 1994. As Javero had no money to buy the same, Pahilanga, being the registered owner of the vehicle then, executed on September 26, 1994 a prior Chattel Mortgage under his name but for the benefit of Javero so that the proceeds of the loan will be paid to Pahilanga as consideration of the sale. While the Deed of Sale was not notarized, the same is still valid between the parties and is a competent evidence of the sale transaction between them.

The corroborative declarations of Edwin Pahilanga and Dominador Villaluna likewise showed that the Chattel Mortgage dated September 26, 1994 was executed by Pahilanga mainly to accommodate Javero as during that time, Javero would use the proceeds of the loan to pay for the subject vehicle sold by Pahilanga to him. They were aware of such internal arrangement as Edwin Pahilanga was a witness to the Chattel Mortgage executed by his father and Villaluna was the one who accommodated the parties at the time of the execution of the loan. It is therefore clear that the intentions of both Pahilanga and Javero during the execution of the Chattel Mortgage was for Javero to pay for the loan which will be under the name of Pahilanga, as during that time, he was still the registered owner of the vehicle. Accordingly, Javero was able to show that he was the one who paid BACECO for the full amount of the loan executed by Pahilanga on the basis of the following schedule of payments, to wit:

Official Receipt No. Date Amount of Payment

O.R. No. 69081[54] December 6, 1994 PhP4,824.75

O.R. No. 70095[55] January 31, 1995 PhP5,284.25

O.R. No. 70190[56] February 4, 1995 PhP4,595.00

O.R. No. 70934[57] March 9, 1995 PhP4,824.75

O.R. No. 71564[58] April 8, 1995 PhP32,824.00

During the existence of the loan, a representative of BACECO informed Javero of Alib’s vacant franchise and suggested to him to attach the subject vehicle to Alib’s vacant franchise. Resultantly, a Deed of Sale with Assumption of Mortgage was executed by still Pahilanga in favor of Alib on February 14, 1995. Such internal arrangement between the parties was again proven by the testimonies of Javero, Edwin and Pahilanga.

Besides, the consideration of the Deed of Sale with Assumption of Mortgage was only PhP41,355.00. Javero claims that the said amount of the loan was decreased as he already made partial payments to BACECO. If We take a look at the payments made by Javero, We can see that he already made partial payments of about Nine Thousand Pesos (PhP9,000.00) in the months of December 1994 and January 1995, just before the execution of such Deed in February, 1995. In contrast, Alib claims that the vehicle was sold to him for a consideration of more or less sixty thousand pesos (PhP60,000.00) and he allegedly was able to pay Pahilanga a total amount of fifteen thousand pesos (PhP 15,000.00) in cash and check. He claims to have already paid the loan from BACECO resulting to the Release of the Mortgage in his favor. However, he could not present any proof of payment of such loan. If We were to weigh the pieces of evidence presented by both parties, one with the trial court, We find that the pieces of evidence presented by Javero outweighs and preponderates over the self-serving and dubious evidence of Alib.

Moreover, looking into the factual circumstances of the case, it is also clear that an implied trust was created between the parties.

A trust is the legal relationship between one person having an equitable ownership in property and another person owning the legal title to such property, the equitable ownership of the former entitling him to the performance of certain duties and the exercise of certain powers by the latter.[59]

Trusts are either express or implied. Express trusts are created by the intention of the trustor or of the parties, while implied trusts come into being by operation of law. In turn, implied trusts are either resulting or constructive trusts. Resulting trusts are 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. On the other hand, constructive trusts are created by the construction of equity in order to satisfy the demands of justice and prevent unjust enrichment. They arise contrary to intention against one who, by fraud, duress or abuse of confidence, obtains or holds the legal right to property which he ought not, in equity and good conscience, to hold.[60]

Applying the foregoing definitions to the instant case, it is clear that an implied resulting trust was created when the certificate of registration of the subject vehicle was placed in the name of the appellant Alib although the price thereof was not paid by him but by appellee Javero. The principle that a trustee who puts a certificate of registration in his name cannot repudiate the trust by relying on the registration is one of the well-known limitations upon a title. A trust, which derives its strength from the confidence one reposes on another especially between brothers, does not lose that character simply because of what appears in a legal document.[61]

Although the Certificate of Registration was issued under the name of appellant Alib, it is undeniable that appellee Javero was the one who paid for the loan at BACECO signifying that he was the one who paid for the price of the subject vehicle. A resulting trust was therefore created, and appellant Alib, is obligated, by operation of law and equity, to merely hold such title of the subject vehicle for the benefit of appellee Javero who, under the law, is the actual and real owner of the subject vehicle.

Second, contrary to the contentions of appellant Alib that Javero's declarations were self-serving and non-existent, Javero was able to satisfactorily support his allegations by the corroborative statements of Edwin Pahilanga and Dominador Villaluna. Compared to the lone testimony of Alib, their unbiased and impartial statements, coupled by the pieces of documentary evidence presented by Javero substantially establish that he was the one who paid for the subject vehicle, hence, he should be declared its owner.

Besides, the Supreme Court has ruled that "because an implied trust is neither dependent upon an express agreement nor required to be evidenced by writing, Article 1457[62] of our Civil Code authorizes the admission of parol evidence to prove their existence. Parol evidence that is required to establish the existence of an implied trust necessarily has to be trustworthy and it cannot rest on loose, equivocal or indefinite declarations." [63] In this case, We agree with the trial court in giving credence to the testimonies of Edwin Pahilanga and Dominador Villaluna which were considered as impartial and unbiased, hence, trustworthy and reliable. Such declarations were necessary to prove the intentions of the parties which are undisclosed and invisible in the express agreement or in the pieces of documents executed by the parties.

Third, appellant Alib insists that nowhere in the Deed of Sale with Assumption of Mortgage did it state that the sale was only for the purpose of attaching the vehicle to the franchise of Alib. Neither did the Chattel Mortgage executed by Pahilanga on September 26, 1994 declare that Javero was the actual and real owner of the vehicle.

We agree.

While admittedly, the foregoing documents did not expressly indicate that Javero was the owner of the subject vehicle, the intention of the parties patently indicates otherwise. The facts and circumstances of this case, and not the Chattel Mortgage or the Deed of Sale with Assumption of Mortgage or any other agreement, essentially proves that an implied trust was created by the parties. Again, despite the fact that Alib holds legal title to the subject vehicle by virtue of the issuance of the Certificate of Registration of the vehicle under his name, he is obligated in equity, to hold such title solely for the benefit of Javero who holds equitable title to the vehicle as he was the one who paid the consideration of the same.

Fourth, Alib insists that Javero should have gone after Pahilanga as it was Pahilanga who executed a double sale. He was not a party to the Deed of Sale executed by Pahilanga and Javero, hence, he was not aware of such prior sale.

We do not agree. The rule on double sale is not applicable to this case as there was no sale in favor of Alib. As established by Javero, the Deed of Sale with Assumption of Mortgage executed in favor of Alib was merely executed so that Alib's franchise will be attached to the subject vehicle.

Nonetheless, even if We apply the rule on double sale pertaining to movable properties in this case, the rules will still be favorable to Javero. Article 1544 of the Civil Code of the Philippines provides:

Art. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Emphasis must be placed on Alib's admission that during the period of two (2) years and nine (9) months from the execution of the Deed of Sale with Assumption of Mortgage on February 15, 1995 to December 20, 1998 when the vehicle was taken from Javero via Writ of Replevin, the possession of the vehicle was with Javero[64]. Hence, Javero was the one who first took possession of the subject vehicle in good faith.

Fifth, Alib further asserts that Javero's non-action to execute any document to assert his ownership over the subject vehicle, despite the many opportunities to do so, results to estoppel on his part such that he could no longer insist on his ownership over it.

Such contentions do not hold water.

Estoppel could not be made applicable to this case. The doctrine of estoppel is based on the grounds of public policy, fair dealing, good faith and justice, and its purpose is to forbid one to speak against his own act, representations, or commitments to the injury of one to whom they were directed and who reasonably relied thereon. Since estoppel is based on equity and justice, it is essential that before a person can be barred from asserting a fact contrary to his act or conduct, it must be shown that such act or conduct has been intended and would unjustly cause harm to those who are misled if the principle were not applied against him.[65]

The essential elements of estoppel are (i) conduct of a party amounting to false representation or concealment of material facts or at least calculated to convey the impression that the facts are otherwise than, and inconsistent with, those which the party subsequently attempts to assert; (ii) intent, or at least expectation, that this conduct shall be acted upon by, or at least influence, the other party; and (iii) knowledge, actual or constructive, of the real facts.[66]

In the instant case, inasmuch as Javero failed to cause the registration of the subject vehicle to be transferred to his name, still, he performed acts of ownership as regards the subject vehicle. He was the one who paid for the loan at BACECO evidenced by the receipts. He likewise took possession of the subject vehicle at the time it was

released. These acts of ownership on the part of Javero could not constitute as an act of false representation or concealment which could hold him guilty of estoppel. Javero committed no false representation or concealment that misled Alib to believe that he was not the real owner of the subject vehicle. Hence, estoppel could not set in.

All told, this Court rules that the court a quo committed no misapprehension of facts in its finding that Fortunato Javero, Jr. was the true and actual owner of the subject Isuzu jeepney. Hence, we affirm.

As regards the award of attorney's fees, appellant Alib assails the same for want of any factual and legal justification to award the same. We do not agree.

Article 2208 of the Civil Code of the Philippines provide:

Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

- (1) When exemplary damages are awarded;
- (2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
- (3) In criminal cases of malicious prosecution against the plaintiff;
- (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
- (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
- (6) In actions for legal support;
- (7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
- (8) In actions for indemnity under workmen's compensation and employer's liability laws;
- (9) In a separate civil action to recover civil liability arising from a crime;
- (10) When at least double judicial costs are awarded;
- (11) In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered.

In all cases, the attorney's fees and expenses of litigation must be reasonable.

In the present case, it was manifest that appellee Javero merely instituted a case against Alib in order to protect his rights and interest over the subject vehicle which was unjustly taken away from him via a Writ of Replevin issued by the court a quo. Undeniably, appellee Javero was purely compelled and induced to take action because of the filing of the case against him by Alib. Thus, the award of attorney's fees is reasonable.

WHEREFORE, in view of the foregoing, the appeal is DENIED. The assailed Decision of the Regional Trial Court, Branch 51 of Bacolod City dated February 22, 2005 in Civil Case Nos. 98-10269 and 98-10285 is hereby AFFIRMED in toto.

SO ORDERED.

Ingles, G.T., Chairperson, and Lagura-Yap, M.B., JJ., concur.

- [1] Order granting Javero's Motion to Consolidate dated August 4, 1998, Record, p. 57
- [2] Penned by Judge Anita G. Chua, Record, pp. 301-318
- [3] Id, pp. 317-318
- [4] Order dated May 15, 1998, Record, pp. 14-15
- [5] Record, p. 28
- [6] Motion to Consolidate, Record, pp. 55-56
- [7] At note 1
- [8] Pre-trial Order dated September 22, 1998, Record, pp. 93-100
- [9] Evidenced by Certificate of Registration No. 01768871 dated October 8, 1992, Exhibit "A-Javero", Record of Exhibits, p. 1
- [10] TSN (Javero) November 16, 1998, Record, pp.14-22
- [11] TSN (Javero) November 16, 1998, Record, pp.22-23
- [12] Exhibit "C-Javero", Record of Exhibits, p. 3
- [13] Exhibit "B-Javero", Record of Exhibits, p. 2
- [14] Exhibit "D-Javero", Record of Exhibits, pp. 4-5
- [15] TSN (Javero) November 16, 1998, Record, pp. 34-45
- [16] Exhibit "E-Javero", Id, p. 6
- [17] TSN (Javero) November 16, 1998, Record, p. 45
- [18] Exhibit "H-Javero", Record of Exhibits, pp. 82-83
- [19] Release of Mortgage dated April 7, 1995, Exhibit "I-Javero", Record of Exhibits, p. 84
- [20] Id
- [21] TSN (Javero) November 16, 1998, Record, pp. 56-62
- [22] Promissory Note dated March 6, 1996, Exhibit "N-Javero", Record of Exhibits, p. 92
- [23] Exhibit "K-Javero", Record of Exhibits, pp. 86-88
- [24] Cash Voucher, Exhibit "L-Javero", Record of Exhibits, p. 89
- [25] Exhibit "M-Javero", Record of Exhibits, p. 90
- [26] TSN (Javero) November 18, 1998, Record, pp. 6-17
- [27] TSN (Javero) September 20, 1999, Record, pp.9-13
- [28] Exhibit "W-Javero", Record of Exhibits, p. 111
- [29] Exhibit "X-Javero", Id, pp. 112-113
- [30] TSN (Pahilanga) December 5, 2001, Record, pp. 7-13

- [31] TSN (Pahilanga) December 5, 2001, Record, p. 21
- [32] TSN (Pahilanga) December 5, 2001, Record, pp. 23-24
- [33] TSN (Villaluna) April 12, 2004, Record, pp. 10-12
- [34] TSN (Villaluna) April 12, 2004, Record, p. 14
- [35] TSN (Villaluna) April 12, 2004, Record, p. 21
- [36] TSN (Villaluna) April 12, 2004, Record, pp. 26-27
- [37] Fortunato Javero's Offer of Evidence, Record, pp. 163-176
- [38] Comment to Fortunato Javero's Offer of Exhibit, Id, pp. 157-161
- [39] Record, p. 177
- [40] TSN (Alib) March 6, 2003, Record, p. 3
- [41] TSN (Alib) February 5, 2003, Record, p. 12
- [42] TSN (Alib) February 5, 2003, Record, pp. 15 -16
- [43] Exhibit 2, Record, p. 209
- [44] TSN (Alib) March 6, 2003, Record, p. 12
- [45] TSN (Alib) February 5, 2003, Record, p. 21
- [46] TSN (Alib) March 6, 2003, Record, p. 14; pp. 29-30
- [47] TSN (Alib) February 5, 2003, Record, p. 26
- [48] Evidenced by Police Blotter, Exhibit "7", Record, p. 213
- [49] Record, pp. 204-205
- [50] Order dated November 17, 2003, Id, p. 217
- [51] Rollo, p. 62
- [52] Sps. Friend, et. Al., vs. Union Bank of the Philippines, G.R. No. 165767, November 29, 2005
- [53] G.R. No. 106251, November 19, 1993
- [54] Exhibit "F-2-Javero", Record of Exhibits, p. 8
- [55] Exhibit "F-3-Javero", Record of Exhibits, p. 9
- [56] Exhibit "F-4-Javero", Id, p. 10
- [57] Exhibit "F-5-Javero", Id, p. 11
- [58] Exhibit "F-6-Javero", Id, p. 12
- [59] Tigno, et. al., vs. Court of Appeals, et. al., G.R. No. 110115, October 8, 1997
- [60] Id citing Morales, et al. vs. Court of Appeals, et al., G.R. No. 117228, June 19, 1997
- [61] See also Chiao Liong Tan vs. Court of Appeals, G.R. No. 106251, November 19, 1993

[62] Article 1457. An implied trust may be proved by oral evidence.

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

[64] TSN (Alib) March 6, 2003, Record, p. 48

[65] Rockland Construction Company, Inc. Vs. Mid-Pasig Land Development Corporation, G.R. No. 164587, February 4, 2008

[66] Manila Memorial Park Cemetery, Inc. Vs. Linsangan, G.R. No. 151319, November 22, 2004

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