

RUPERTO L. VILORIA, PETITIONER, VS. COURT OF APPEALS, LIDA C. AQUINO, ASSISTED BY HER HUSBAND GREGORIO AQUINO, MANUEL V. CACANANDO, AS HEIRS OF THE LATE FELICITACION V. CACANAND...

G.R. No. 119974. June 30, 1999

Ponente: BELLOSILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-119974/>

BELLOSILLO, J.:

ASSAILED in this petition for review on certiorari is the decision of the Court of Appeals[1] which affirmed with modification that of the Regional Trial Court, Branch 34, Balaoan, La Union,[2] declaring petitioner and private respondents as co-owners of the 2/3 portion of the commercial lot located in Cabua-an Oeste, Balaoan, La Union, under TCT No. T-29060 in the name of Ruperto L. Vilorio as trustee, and 1/3 portion of the orchard located in Nalasin, Balaoan, La Union, under OCT No. 0-1952 in the name of Ruperto, Nicolasa and Rosaida, all surnamed Vilorio.

Sometime in December 1980 Nicolasa Vilorio passed away, followed by her sister Rosaida in June 1989. Both died single and without issue, survived by their brothers Ruperto L. Vilorio, Anastacio L. Vilorio, the heirs of their sister Felicitacion V. Cacanando, who predeceased them, namely, Lida C. Aquino and Manuel V. Cacanando, and the heirs of their other sister Josefina V. Ancheta, who likewise predeceased them, namely, Rodolfo V. Ancheta, Estrella V. Ancheta and Carmen A. Nicolasura.

On 18 February 1991 the heirs of Rosaida and Nicolasa Vilorio filed an action for partition with the Regional Trial Court of Balaoan, La Union, against their co-heir Ruperto L. Vilorio. The heirs alleged that during the lifetime of Nicolasa and Rosaida they were co-owners in equal shares and pro-indiviso with Ruperto L. Vilorio of a commercial lot and an orchard. After Nicolasa and Rosaida died, their heirs demanded from Ruperto L. Vilorio, who was in possession of the properties, to partition the same among them but he refused claiming that during their lifetime Nicolasa and Rosaida sold and conveyed to him all their shares, interests and participation over the properties in question. Ruperto alleged that Nicolasa and Rosaida sold the commercial lot to him by virtue of a deed of sale executed on 10 August 1965 and duly registered in the Office of the Register of Deeds of La Union, while the heirs of Josefina V. Ancheta sold and relinquished to him all their claims and ownership over the commercial lot. As regards the orchard, Ruperto further alleged that it came to his possession when Nicolasa sold to him her share of the land and the ancestral house standing thereon by virtue of a private agreement written in Ilocano, referred to as "Catulagan," dated 10 June 1978, while Rosaida sold to him her share of the property by virtue of a deed of sale dated 10 September 1987.

Refuting Ruperto's allegations, the heirs of Nicolasa and Rosaida maintained that the transfer of title of the commercial lot in the name of Ruperto Vilorio was only for loan purposes and not to convey and relinquish ownership over the property, and that Ruperto assured Nicolasa and Rosaida that they would remain as co-owners and the deed of sale returned to them. As proof of this arrangement, the heirs asserted that Nicolasa and Rosaida

exercised acts of administration and dominion over the property and collected rentals from the buildings standing thereon for 25 years or until they died.

Through their co-heirs Lida C. Aquino and Atty. Gerardo Vilorio, private respondents also asserted that while Rosaida Vilorio executed a deed of sale conveying her share of the orchard to Ruperto Vilorio, it was without any consideration. However, upon realization of the iniquitous nature of the document, Rosaida Vilorio immediately executed a deed of revocation of the sale.

On 6 April 1992 the trial court ruled that title over the commercial lot was not in reality transferred in the name of Ruperto L. Vilorio for the reason that the parties to the deed of sale merely intended to create an express trust.[3] By admitting the trust and assuring his sisters Nicolasa and Rosaida as well as private respondents that they would remain as co-owners, an express trust had been created.[4] Petitioner Ruperto Vilorio thus became only a trustee to an express trust which incapacitated him from acquiring for his own benefit the property committed to his custody although titled in his name.[5] Nicolasa and Rosaida remained as co-owners of the commercial lot, which upon their demise passed on to their heirs.

The trial court likewise declared that there was no effective conveyance of the 1/3 share of Rosaida over the orchard in Nalasin since the document of conveyance was in effect nullified when Rosaida executed the deed of revocation.[6] Neither did the "Catulagan" allegedly executed by Nicolasa convey her share of the orchard to Ruperto since she had already disposed of the property in favor of Rodolfo Ancheta by virtue of a deed of donation.[7] Consequently, the trial court declared Ruperto L. Vilorio and the other heirs as co-owners of the entire portion of the commercial lot (except the northern portion titled in the name of Rodolfo, Aurora and Estrella Ancheta) and the entire orchard, and ordered a partition of the properties such that the commercial lot and the orchard would be divided into four (4) equal parts each, 1/4 for Ruperto Vilorio and 3/4 for the other heirs.[8]

Apparently dissatisfied with the adjudication by the lower court, Ruperto L. Vilorio elevated the matter to the Court of Appeals which affirmed the findings of the court a quo with the modification that petitioner and private respondents should be declared co-owners of the commercial lot only to the extent of 2/3 of the property and co-owners of 1/3 of the orchard.[9] Indeed, the trial court erred in ordering that the entire commercial lot be divided into four (4) equal parts since petitioner Ruperto Vilorio already owned 1/3 as co-owner thereof. Therefore, with regard to the commercial lot, what should be divided into four (4) equal parts should only be the 2/3 share of Nicolasa and Rosaida Vilorio. The appellate court further held that the deed of revocation executed by Rosaida did not rescind the 1987 deed of sale over the orchard since it was duly notarized and hence enjoyed the presumption of validity which could only be annulled through proper judicial action. In the absence thereof, the 1987 deed of sale remained valid. Hence, only the 1/3 share of Rosaida Vilorio in the orchard should be divided among petitioner and private respondents.

Petitioner now impugns the decision of the Court of Appeals as he contends that the appellate court committed serious errors when it affirmed the findings of the lower court that (a) the 1965 deed of sale of the commercial lot was an express trust and not a true conveyance of real property, and (b) that prescription did not run against private respondents.

Petitioner argues that the existence of an express trust cannot be deduced from the collection of rentals by Nicolasa and Rosaida since what they collected were merely rentals for the use of the buildings and improvements on the property as differentiated from rentals for the use of the land itself.[10] Neither can the existence of an express trust be inferred from the consent and conformity to the waiver of rights issued by Nicolasa and Rosaida since they were not signatories to the actual document, petitioner being the sole signatory thereto.[11]

These issues would call for the examination of the probative value of the evidence presented by the parties before

the trial court. As we have ruled in a litany of cases, resort to judicial review of the decisions of the Court of Appeals under Rule 45 is confined only to errors of law. The findings of fact by the lower court are conclusive absent any palpable error or arbitrariness. After carefully examining the records, we find no reason to depart from this principle. The lower courts are in a much better position to properly evaluate the evidence and hence we find no other recourse but to leave it untouched and proceed with the determination of the other issues raised.

Petitioner further contends that the appellate court committed a grave error in law when it assumed jurisdiction over the validity of the 1965 deed of sale since it was never raised as an issue in Civil Case No. 417 where plaintiffs, private respondents herein, merely asked for partition without praying for the annulment of the document,[12] hence, according to petitioner, public respondent overstepped the boundaries of its jurisdiction when it classified the 1965 sale as merely one of express trust and not a true conveyance.

The contention is without merit. In the action for partition private respondents claimed that they were co-owners of the property subject thereof hence entitled to their share, while petitioner denied their claim by asserting that their rights were supplanted by his by virtue of the deed of absolute sale. As a result, the issue of co-ownership and the legality of the 1965 sale have to be resolved in the partition case. As enunciated in *Catapusan v. CA*,[13] until and unless the issue of ownership is definitely resolved, it would be premature to effect a partition of the properties. Thus, the appellate court did not exceed the limits of its jurisdiction when it ruled on the validity of the 1965 sale.

Petitioner still further asserts that the 1965 deed of sale should not have been declared as an express trust in the absence of a court declaration annulling and declaring it as such, pursuant to Art. 1390 of New Civil Code.[14] Likewise, petitioner points out that the 1965 deed of sale should have enjoyed the presumption of validity since it was duly notarized.[15]

Article 1390 of the New Civil Code has no bearing in the instant case. The provision alludes to contracts which could be voided by reason of absence or infirmity of consent and not to simulated contracts. The parties in the instant case freely gave their consent to the 1965 deed of sale but intended it to be merely a trust agreement and not a relinquishment of rights. It is therefore the nature of the contract that is in issue and not the character of the consent given. Moreover, a separate declaration of nullity is no longer necessary since the trial court already assumed jurisdiction over the validity of the 1965 deed of sale in determining whether co-ownership in fact existed and whether partition was proper.

The fact that a deed of sale is notarized does not necessarily justify the conclusion that the sale is a true conveyance to which the parties thereto are irrevocably and undeniably bound.[16] Although the notarization of the deed of sale vests in its favor the presumption of regularity, it does not validate nor make binding an instrument never intended, in the first place, to have any binding legal effect upon the parties thereto.[17]

Petitioner argues that the determination of the preceding issue is contrary to the principle laid down in *Dino v. CA*[18] where it was held that under the Torrens system registration is the operative act that gives validity to the transfer or creates a lien upon the land. The deed of sale being duly registered in the Office of the Register of Deeds of La Union in 1965 and a certificate of title issued in his name, thereby conferring upon him valid and legal title to the property, cannot thereafter be declared as merely an express trust.[19]

Petitioner cannot rely on the registration of the land subject of the 1965 sale and the corresponding issuance of a certificate of title in his name as vesting ownership on him because the trial court found the deed of sale to be in fact an express trust. It has been held that a trustee who obtains a Torrens title over property held in trust by him for another cannot repudiate the trust by relying on the registration.[20]

Finally, petitioner claims that the ruling that the heirs are entitled to the property in question is contrary to the law on succession.[21] Citing *Locsin v. CA*,[22] petitioner postulates that property transferred or conveyed by one person to another during the lifetime of the former no longer forms part of his estate at the time of his death to which his heirs may lay claim. Since the shares of Nicolasa and Rosaida in the commercial lot were already sold to Ruperto Vilorio by virtue of the 1965 deed of sale the heirs had nothing more to inherit.

The contention is without merit. The claim that the ruling of the appellate court is contrary to the law on succession and jurisprudence proceeds from the assumption that the deed of sale was a true conveyance. However, the Court finds that the 1965 deed of sale was in fact an express trust and hence no actual conveyance took place. The owners Nicolasa and Rosaida did not relinquish their claim of ownership over the commercial lot but continued to exercise acts of administration and dominion over it, hence, it continued to form part of their estate and devolved upon their demise on their heirs.

As regards prescription invoked by petitioner, it is contended that prescription has already run against co-owners Nicolasa and Rosaida Vilorio since Ruperto Vilorio openly, publicly and continuously owned and possessed the properties for a period of more than 25 years, or from 1965 up to the filing of the case in 1991, with good and just title[23] pursuant to Arts. 1117,[24] 1127[25] and 1134[26] of the New Civil Code.

We disagree. Prescriptive period for an action of reconveyance of real property based on implied or constructive trust which is counted from the date of registration of property applies when the plaintiff is not in possession of the contested property.[27] Moreover, an action to compel the trustee to convey property registered in his name for the benefit of the cestui que trust does not prescribe unless the trustee repudiates the trust.[28] Nicolasa and Rosaida were in possession of the land and were exercising acts of ownership and administration over the property consistent with their responsibility as co-owners. At no time did Ruperto openly repudiate the claims of his co-owners but continued to assure them of their rights regarding the property. Hence, prescriptive period did not commence to run against private respondents.

WHEREFORE, the decision of the Court of Appeals declaring petitioner and private respondents as co-owners of the 2/3 portion of the commercial lot located in Cabua-an Oeste (Poblacion), Balaoan, La Union, under TCT No. T-29060 in the name of Ruperto Vilorio as trustee, and 1/3 portion of the orchard located in Nalasin, Balaoan, La Union, under OCT No. O-1952 in the name of Ruperto, Nicolasa and Rosaida, all surnamed Vilorio, is **AFFIRMED**. The properties in Cabua-an Oeste and Nalasin, Balaoan, La Union, shall be divided into 4 equal parts: 1/4 for petitioner, and 3/4 for private respondents Anastacio L. Vilorio; Lida C. Aquino, assisted by her husband Gregorio Aquino, and Manuel V. Cacanando, as heirs of the late Felicitacion V. Cacanando; and Rodolfo V. Ancheta, Estrella V. Ancheta and Carmen A. Nicolasura, assisted by her husband Ramon Nicolasura, as heirs of the late Josefina V. Ancheta.

SO ORDERED.

Puno, Mendoza, Quisumbing, and Buena, JJ., concur.

[1] Decision penned by Justice Antonio P. Solano, concurred in by Justices Alfredo L. Benipayo and Ricardo P. Galvez, Tenth Division, Court of Appeals, promulgated 10 March 1995.

[2] Decision penned by Judge Fidel R. Ringpis, RTC-Br. 34, Balaoan, La Union, dated 6 April 1992.

[3] See Note 2.

[4] Ibid.

[5] Id., p. 94.

[6] Id., p. 95.

[7] Id., p. 96.

[8] Id., p. 99.

[9]CA Decision; Records.

[10]Petition for Certiorari; Rollo, p. 4.

[11]Id., pp. 4-5.

[12]Id., p. 5.

[13]G.R. No. 109262, 21 November 1996, 264 SCRA 534.

[14]Art. 1390. The following contracts are voidable or annulable, even though there may have been no damage to the contracting parties: (1) Those where one of the parties is incapable of giving consent to a contract; (2) Those where the consent is vitiated by mistake, violence, intimidation, undue influence or fraud. These contracts are binding, unless they are annulled by a proper action in court. They are susceptible of ratification.

[15]Favor v. Court of Appeals, G.R. No. 80821, 21 February 1991, 194 SCRA 308.

[16]Suntay v. CA, G.R. No. 114950, 19 December 1995, 251 SCRA 430.

[17]Ibid.

[18]G.R. No. 95921, 2 September 1992, 213 SCRA 422.

[19]Petition for Certiorari; Rollo, p. 6.

[20]Sotto v. Teves, No. L-38018, 31 October 1978, 86 SCRA 178.

[21]Petition for Certiorari; Rollo, p. 6.

[22]G.R. No. 89783, 19 February 1992, 206 SCRA 383.

[23]Petition for Certiorari; Rollo, pp. 7-8.

[24]Art. 1117. Acquisitive prescription of dominion and other real rights may be ordinary or extraordinary. Ordinary acquisitive prescription requires possession of things in good faith and with just title for the time fixed by law.

[25]Art. 1127. The good faith of the possessor consists in the reasonable belief that the person from whom he received the thing was the owner thereof, and could transmit his ownership.

[26]Art. 1134. Ownership and other real rights over immovable property are acquired by ordinary prescription through possession of ten years.

[27]See Note 23.

[28]Huang v. CA, G.R. No. 10825, 13 September 1994, 236 SCRA 420.

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.