

**PROSPERO RINGOR, SATURNINO RINGOR, ANDRES RINGOR,
SUBSTITUTED BY SHAKUNTALA DEBIE, CLARO ALEJO, GERONIMA
AND SANDIE LOUR, ALL SURNAMED RINGOR, RAYMUNDA RINGOR,
LUISA R. RIMANDO,...**

G.R. No. 147863. August 13, 2004

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

Petitioners seek the review of the Decision[1] dated November 27, 2000 of the Court of Appeals in CA-G.R. CV No. 48581 and its Resolution,[2] dated April 24, 2001, denying the subsequent motion for reconsideration. The Court of Appeals affirmed the decision of the Regional Trial Court (formerly the Court of First Instance) of Dagupan City, Branch 43, in favor of herein respondents, for partition and reconveyance of land with damages.

The controversy involves lands in San Fabian, Pangasinan, owned by the late Jacobo Ringor. By his first wife, Gavina Laranang, he had two children, Juan and Catalina. He did not have offsprings by his second and third wives. Catalina predeceased her father Jacobo who died sometime in 1935, leaving Juan his lone heir.

Juan married Gavina Marcella. They had seven (7) children, namely: Jose (the father and predecessor-in-interest of herein petitioners), Genoveva, Felipa, Concordia, Agapito, Emeteria and Espirita. Genoveva and Agapito are represented in this case by Teofilo Abalos and Marcelina Ringor, their respective children. Espirita is represented by her children, Avelina, Cresencia and Felimon Almasen.

Jacobo applied for the registration of his lands under the Torrens system. He filed three land registration cases alone, with his son Juan, or his grandson Jose, applying jointly with him.

The first application, docketed as Expediente 241, G.L.R.O. Record No. 13152 was applied for alone by Jacobo. While Jacobo was the only applicant in Expediente 241, on November 22, 1921, in Decree No. 119561, Parcels 1 and 2 of the lands in Expediente 241 were adjudicated to Jacobo and his son, Juan, in equal shares as pro-indiviso co-owners.[3] On March 6, 1922, OCT No. 23689 was issued in the names of Jacobo and Juan.[4] With Jacobo's thumbmark, in a Compraventa dated November 6, 1928, the one-half (½) undivided interest of Jacobo in the said Parcels 1 and 2 was sold and transferred to Jose. The OCT was eventually cancelled and replaced by TCT No. 15918, dated November 6, 1928. The sale to Jose was registered only on February 15, 1940.[5]

Decree No. 119562 awarded full ownership of Parcel 3 to Jacobo.[6] Thus, OCT No. 23690 pertaining to Parcel 3, was issued in Jacobo's name.[7] By another Compraventa also dated November 6, 1928, and with the same circumstances as the Compraventa in Parcels 1 and 2, the entire interest of Jacobo in Parcel 3 was likewise sold and transferred to Jose. Thereafter, TCT No. 5090 was issued in the name of Jose.[8] All the lands declared to Jacobo in Expediente 241 were allegedly sold to Jose for P6,000.[9]

In the second application, Expediente 244, G.L.R.O. Record No. 13168, Jacobo named Jose as the applicant. In Decree No. 65500, the five (5) parcels of land in Expediente 244 were adjudicated to Jose as a "donacion de su

abuelo” (donation of his grandfather).[10] On April 18, 1918, OCT No. 18797 was issued exclusively to Jose.[11]

The third application docketed as Expediente 4449, G.L.R.O. Record No. 23643, was filed in the names of Jacobo and his only son Juan.[12] It covered three parcels of land. Juan died on July 16, 1922, a year before the decision of the land registration court was issued. On October 10, 1923, in Decree No. 147191, half of Parcel 1 was adjudicated to Jacobo and the other half to Jose and later, three-fourths ($\frac{3}{4}$) of parcels 2 and 3 to Jacobo and one-fourth ($\frac{1}{4}$) to Jose.[13] Although Juan was one of the named applicants, it later appeared that Jose’s name was substituted for Juan’s name because of an erroneous information that Jose was the only successor-in-interest of Juan.[14] Thus, on February 29, 1924, OCT Nos. 25885 and 25886 were issued in the names of Jacobo and Jose respectively.[15]

Subsequently, in a Compraventa dated November 3, 1928, Jacobo allegedly sold and transferred to Jose his one-half ($\frac{1}{2}$) undivided interest in Parcel 1 covered by OCT No. 25885. Jacobo’s thumbmark appeared on the Compraventa.[16] These lands are now covered by TCT No. 15916, in the name of petitioner corporation, Heirs of Jose M. Ringor, Inc., organized after the initiation of the instant case.[17] By another Compraventa also dated November 3, 1928, the three-fourths ($\frac{3}{4}$) undivided interests of Jacobo in Parcels 2 and 3 covered by OCT No. 25886 were likewise sold and transferred to Jose. The Compraventas were duly registered sometime in 1940. The OCTs were cancelled and new TCTs were issued in the name of Jose. Jacobo allegedly sold to Jose for P800 all the lands declared to him in Expediente 4449.[18]

During trial, witnesses attested that even after the decisions in the three land registration cases and the Compraventas, Jacobo remained in possession of the lands and continued administering them as he did prior to their registration. He unfailingly gave a share of the produce to all the 7 children of his son Juan. According to witness Julio Monsis,[19] Jacobo did not partition the lands since the latter said that he still needed them.[20] When Jacobo died on June 7, 1935, the lands under the three land registration applications, including those which petitioners sought to partition in their counterclaim before the trial court, remained undivided. Jose, as the eldest grandchild, assumed and continued the administration of the lands.[21] He also conscientiously gave his 5 younger sisters and only brother Agapito, their share in the produce and income from the lands.[22] Herein respondents claim they repeatedly asked Jose for partitioning of the land; however, every time they did, Jose always answered that it was not going to be easy because there would be “big and small shares.”[23] Respondents explained that they did not zealously press for the immediate partition of the lands because Jose constantly assured them that he would never cheat them and because they respected him highly.[24]

Jose died on April 30, 1971. Respondents demanded from Jose’s children, herein petitioners, the partition and delivery of their share in the estate left by Jacobo and under Jose’s administration. The petitioners refused and attempts at amicable settlement failed.[25] On March 27, 1973, respondents filed a Complaint for partition and reconveyance with damages, docketed as Civil Case No. D-3037. An Amended Complaint was admitted by the lower court in its Order of August 6, 1973.[26]

In their Complaint, herein respondents claimed that (1) they are all grandchildren and/or great grandchildren of Jacobo, who left intestate the disputed lands with a total area of 322,775 sq. m., all located in San Fabian, Pangasinan, and declared for tax purposes in the name of Jose Ringor; (2) that the late Jose Ringor had always been the administrator and trustee of Jacobo;[27] (3) that after Jacobo’s death, they asked for their shares of the intestate properties but was refused; and (4) that Jose as trustee and overseer of all these properties was answerable to the respondents for their just shares in the intestate properties of Jacobo.[28] They asked for (a) the partition of their corresponding shares, the cancellation of OCT No. 18797 issued in the name of Jose Ringor under Expediente 244 and that these be subdivided among the seven children of Jose Ringor, and the six children and grandchildren of Juan Ringor; (b) the payment to plaintiffs of whatever maybe found as chargeable to the late

Jose Ringor as trustee, as well as liability for administering these properties from the time of Jose's death up to the time the case is terminated; and (c) the payment of attorney's fees, surveyor's expenses and cost of the suit.[29]

In their Answer, herein petitioners insisted that they rightfully own and possess the disputed lands. They alleged that their father acquired legitimate title to and remained in continuous, uninterrupted and exclusive possession and enjoyment of the said parcels of land in the concept of an owner at varying times since 1917, 1923, and 1928, as evidenced by the certificates of title issued more than thirty (30) years ago and in some cases more than fifty (50) years ago, before the present suit was instituted by respondents. They claimed that Jacobo sold the parcels of land under Expediente Nos. 4449 and 241 to Jose for valuable consideration on November 3 and 6, 1928, respectively, evidenced by notarial deeds of sale duly registered in the Registry of Deeds of Pangasinan. The other disputed lands sought to be divided, petitioners assured, were held by Jose as exclusive owner.

In their Amended Answer, petitioners averred that the parcels of land in the exclusive name of Jose are his exclusive properties acquired by him either by inheritance, homestead patent, or purchase. They claimed that Jose had long acquired indefeasible and incontrovertible title to the said properties in accordance with the provisions of the Land Registration Act. These are evidenced by OCT No. 18797 issued March 6, 1919 for Lots Nos. 1, 2, 3, 4, 5, Plan Psu-6099; OCT No. 23797 on May 6, 1922 for Plan Psu-15467; TCT No. 5090 issued December 12, 1929 for Lot No. 3, Plan Psu-6095; TCT No. 15918 issued February 15, 1940 for Lots Nos. 1 & 2, Plan Psu-6095 Amd; TCT No. 15917 on February 15, 1940 for Lots Nos. 1 & 2, Plan Psu-35491; and TCT No. 15916 issued February 15, 1940 for Plan Psu-31271, now TCT No. 93019 issued November 22, 1971. Further, according to petitioners, whatever cause or right of action, if any, the respondents had with respect to the properties owned and possessed by them and their late father, including those based on constructive trust, it had long been barred by prescription and laches and/or prior judgments since it is an incontrovertible fact that Jose had been, for more than thirty (30) years and in some cases for more than fifty (50) years, the exclusive registered owner of the registered properties.[30] Lastly, petitioners asserted that respondents' claim of express trust concerning the properties in question could not be proved by parol evidence.

While trial of the case was in progress, Julio Monsis, alleging he was the only child of Macaria Discipulo and Jacobo, filed a Complaint in Intervention. So did Leocadia Ringor, alleging she was the only child of Jacobo with Marcelina Gimeno. When Julio died on February 3, 1977, he was survived by his wife Felipa and their legitimate children Maria, Federico, Eusebio, Paciencia, Panfilo and Fermin, all surnamed Monsis. On July 8, 1982, herein respondents filed an Amendment to their Amended Complaint impleading as additional party-defendants, the Heirs of Jose M. Ringor, Inc.[31]

On February 10, 1995, the RTC decided in favor of respondents. The dispositive portion of the Decision set forth its judgment:

(a) Declaring the 7 children of Juan L. Ringor who are the grandchildren of Jacobo Ringor, namely: Jose, Genoveva, Felipa, Concordia, Agapito, Emeteria and Espirita, all surnamed Ringor, as pro-indiviso co-owners of all the lands covered by Expediente Nos. 241, 244 and 4449 described in pages 2, 3, 4 and 5 of this decision brought under the Land Registration Act and now covered by TCT No. 15918 (Lots 1 and 2) and TCT 5090 (Lot No. 3) in the name of Jose Ringor (Expediente 241); TCT No. 15916 in the name of defendant Heirs of Jose M. Ringor, Inc. (Lot 1, Expediente 2449); TCT No. 15917 (Lots 2 and 3, Expediente 4449); and TCT No. 18797 (Lots 1, 2, 3, 4 and 5, Expediente 244), in the name of Jose Ringor;

(b) Ordering the partition of the said parcels of land covered by TCT Nos. 15918, 5090, 15916, 15917 and 18797, all of the Register of Deeds of Pangasinan, among Jose, Genoveva, Felipa, Concordia, Agapito, Emeteria and Espirita, all surnamed Ringor into 7 equal parts;

- (c) Ordering defendants to render an accounting to the plaintiffs of all the income, produce and rents on these parcels of land from 1973 until the respective shares of the plaintiffs are physically and peacefully delivered to each of them;
- (d) Ordering defendants jointly and severally to pay the plaintiffs the sum of P50,000.00 for attorney's fees;
- (e) Dismissing the Complaints-in-Intervention of Julio Mon[is] and Leocadia Ringor;
- (f) On the Counterclaim, ordering the partition in seven (7) equal shares the parcels of land described in paragraph 34 (a and b), pages 14 and 15 of this decision, among Jose, Genoveva, Felipa, Concordia, Agapito, Emeteria and Espirita, all surnamed Ringor.
- (g) Ordering the defendants to pay the costs of suit.

SO ORDERED.[32]

The trial court concluded that Jacobo created an express trust over his entire property in favor of his grandchildren. It found that Jose held the subject lands as co-owner and trustee of the express trust. The trial court held that the notarial deeds of sale executed between Jacobo and Jose in Expediente 241 were false and simulated. It noted that Jose registered the deed of sale twelve years after their execution and five years after Jacobo's death. More important, the trial court declared that Jacobo continued to occupy and exercise acts of ownership over the same parcels of land until his death despite the supposed sale to Jose.

On Expediente 244, the trial court observed that the document evidencing that Jacobo donated the lands therein to Jose was never presented to the registration court, nor was any explanation given for the failure to register the alleged donation. Hence, the donation was declared invalid.

On Expediente 4449, the trial court observed that although the applicants were Jacobo and Juan, the land was erroneously adjudicated to Jacobo and Jose because it was made to appear that Jose was the only child who succeeded Juan, who died a year before the application was adjudicated, when in fact Juan had seven children. Jacobo knew of this error, yet he did nothing to correct it.

The trial court concluded that all these incidents and circumstances served as indicia that Jacobo cared little if the lands were in his name or someone else's. As far as he was concerned, all these lands belonged to him such that notwithstanding the subsequent compraventas, he continued to possess and administer the lands and all the profits from them were at his disposal. Thus, the trial court continued, from the acts of Jacobo and his full exercise of dominion over the lands until his death, it could be deduced that the compraventas were without consideration and this was why the compraventas were not registered during Jacobo's lifetime. The trial court noted that even after the registration of the compraventas, until his own death, Jose continued Jacobo's practice of sharing the produce of the land with his siblings, a recognition that even Jose considered that his siblings were beneficial co-owners of the lands under his care.[33]

The trial court reasoned that despite the absence of a document proving the express trust, the same was proven by parol evidence. The trial court explained that the prohibition in Article 1443[34] of the New Civil Code – that no express trust concerning an immovable or any interest therein may be proved by parol evidence – is a prohibition for purposes of presenting proof on the matter, but it could be waived by a party.[35] It went on to say that the failure to object to parol evidence during trial and the cross-examination of the witnesses is a waiver of the prohibition. Furthermore, it said that Jose, as trustee, did not repudiate the trust, such that the trust remained, and since the trust continued to exist, an action to compel the trustee to convey the properties has not prescribed nor is it barred by laches.[36]

Before the Court of Appeals, petitioners contended that the lower court erred when (1) it ruled that Jacobo Ringor constituted an express trust over the disputed properties abovecited in favor of respondents as the beneficiaries and with Jose Ringor as trustee; and (2) it gave weight to the oral evidence of herein respondents to prove the existence of an express trust in their favor.

The Court of Appeals affirmed the lower court's decision. The Motion for Reconsideration of petitioners was also denied.

Now before us the petitioners, in their Memorandum, raise the following issues:

- WHETHER OR NOT THERE IS A DOCUMENT, INSTRUMENT, DEED OR ANY WRITING CREATING AN EXPRESS TRUST AND FORMING PART OF THE EVIDENCE ON RECORD WHICH SUPPORTS THE FINDINGS OF THE TRIAL COURT, AS THE SAME WAS AFFIRMED BY THE COURT A QUO, THAT AN EXPRESS TRUST WAS ESTABLISHED BY THE LATE JACOBO RINGOR OVER THE PARCELS OF LAND IN QUESTION IN FAVOR OF THE RESPONDENTS AS THE BENEFICIARIES, WITH JOSE RINGOR AS THE TRUSTEE THEREOF (AND CO-BENEFICIARY AT THE SAME TIME).
- WHETHER OR NOT THE TRIAL COURT'S RULINGS AS THE SAME WERE AFFIRMED ON APPEAL BY THE COURT A QUO, WERE ANCHORED ONLY ON PAROL EVIDENCE.
- WHETHER OR NOT THE ADMISSION OF PAROL EVIDENCE TO PROVE EXPRESS TRUST AS PROSCRIBED BY ART. 1443 OF THE NEW CIVIL CODE CAN BE WAIVED.
- WHETHER OR NOT THE COURT A QUO ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION IN RULING THAT PETITIONERS VALIDLY WAIVED THEIR OBJECTION TO THE ADMISSION BY THE TRIAL COURT OF PAROL EVIDENCE AS PROOF OF THE ESTABLISHMENT OF AN EXPRESS TRUST.
- WHETHER OR NOT THE COURT A QUO ERRED IN AFFIRMING THE TRIAL COURT'S RULING ADMITTING AND GIVING WEIGHT AND CONSIDERATION TO THE PAROL EVIDENCE ON RECORD TO PROVE THE EXISTENCE OF AN EXPRESS TRUST.
- WHETHER OR NOT THE FACTUAL FINDINGS OF THE TRIAL COURT WHICH WERE AFFIRMED IN TOTO BY THE COURT A QUO ARE SUPPORTED BY, OR CONTRARY TO, THE EVIDENCE ON RECORD.
- WHETHER OR NOT THE COURT A QUO COMMITTED SERIOUS ERRORS AND GRAVE ABUSE OF DISCRETION IN VIRTUALLY ORDERING THE NULLIFICATION AND/OR DECLARING THE NULLITY OF --- ALL THE TITLES (TCT NO. 5090, TCT NO. 15918, OCT NO. 18797, TCT NO. 1597, AND TCT NO. 93019) OF JOSE RINGOR AND HIS SUCCESSORS-IN-INTEREST (THE PETITIONERS HEREIN) AND DIVESTING THEM OF THEIR EXCLUSIVE OWNERSHIP OVER THE PARCELS OF LAND IN QUESTION; THE DECISIONS OF THE LAND REGISTRATION COURTS IN EXPEDIENTE 244 AND 4449; THE DONATION REFERRED TO IN THE DECISION IN EXPEDIENTE 244; AND THE FOUR (4) DULY NOTARIZED COMPRAVENTAS EXECUTED BY JACOBO RINGOR IN FAVOR OF JOSE RINGOR COVERING THE PARCELS OF LAND DESCRIBED THEREIN, AND --- WHETHER OR NOT THE COURT A QUO ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION IN DECLARING THE SUBJECT PARCELS OF LAND AS BELONGING TO THE INTESTATE ESTATE OF JACOBO RINGOR AND UNDER THE CO-OWNERSHIP OF JOSE RINGOR AND THE RESPONDENTS, AND IN ORDERING THEIR PARTITION AMONG THE SEVEN CHILDREN OF JUAN RINGOR, IN VIOLATION OF THE APPLICABLE PROVISIONS OF THE CIVIL CODE, AND THE PRINCIPLES OF RES JUDICATA AND THE INDEFEASIBILITY OF A TORRENS TITLE.

- WHETHER OR NOT RESPONDENTS' ACTION WAS ALREADY BARRED BY PRESCRIPTION, BOTH ACQUISITIVE AND EXTINCTIVE, AND LACHES.[37]

Briefly stated, the issues to be resolved in this petition are: (1) Were the factual findings of the lower and appellate courts supported by evidence on record? (2) Was there a valid express trust established by Jacobo Ringor? (3) May parol evidence be used as proof of the establishment of the express trust? (4) Did the court in effect nullify the Torrens titles over the disputed parcels of land? (5) Were respondents' action barred by prescription and laches?

We shall now address these issues together.

At the outset, petitioners urge this Court to review the factual findings of the case. It is a well-established principle, however, that in an appeal via certiorari only questions of law may be raised.[38] The findings of fact of the Court of Appeals – especially when not at variance with those of the trial court – may not, generally be reviewed by this Court. The findings of fact of the lower court are conclusive on us, absent any palpable error or patent arbitrariness. In this case, we find no tenable route but to leave the findings of fact of the lower courts untouched, and move on to the resolution of the other issues.

Petitioners' main contention is that the trial and appellate courts had no basis to conclude that Jacobo constituted an express trust because respondents did not present any deed, instrument or document expressly declaring that a trust was constituted. Petitioners anchor their assertion on the Civil Code, particularly their interpretation of Articles 1440,[39] 1441,[40] 1443,[41] 1444,[42] 1445,[43] and 1446,[44] as they point out that in these provisions, for an express trust over an immovable to exist, four elements must be present, namely: (1) a trustor or settlor who executes the instrument creating the trust; (2) a trustee, who is the person expressly designated to carry out the trust; (3) the trust res, consisting of duly identified and definite real properties; and (4) the cestui que trust, or beneficiaries whose identity must be clear. Petitioners aver that these elements are indispensable for an express trust to exist. Petitioners then lament that respondents did not present during trial or even attach to the records of the case, any deed, instrument or document that Jacobo intended to create a trust. Petitioners, in their petition, insist that the intent to create a trust must be in writing; and they claimed that they objected, from the beginning, to the introduction of any oral testimony to prove the establishment of an express trust.

Respondents, for their part, argue that Jacobo created an express trust. Respondents cite the three applications for registration of the lands referred to the Expedientes 241, 244 and 4449 and the three Compraventas as documentary proofs that an express trust was created by Jacobo. According to them, this conclusion can be gleaned clearly when Jacobo exercised acts of ownership over all the disputed lands even after the alleged donation and deeds of sale in favor of Jose, and when Jacobo religiously gave shares of the income and produce of the disputed lands to the respondents, a practice Jose continued until three years before his death.

Express trusts, sometimes referred to as direct trusts, are intentionally created by the direct and positive acts of the settlor or the trustor – by some writing, deed, or will, or oral declaration.[45] It is created not necessarily by some written words, but by the direct and positive acts of the parties. No particular words are required, it being sufficient that a trust was clearly intended.[46] Unless required by a statutory provision, such as the Statute of Frauds, a writing is not a requisite for the creation of a trust.[47] Such a statute providing that no instruments concerning lands shall be “created” or declared unless by written instruments signed by the party creating the trust, or by his attorney, is not to be construed as precluding a creation of a trust by oral agreement, but merely as rendering such a trust unenforceable.[48] Contrary to the claim of petitioners, oral testimony is allowed to prove that a trust exists. It is not error for the court to rely on parol evidence, - - i.e., the oral testimonies of witnesses Emeteria Ringor, Julio Monsis and Teofilo Abalos - - which the appellate court also relied on to arrive at the conclusion that an express trust exists. What is crucial is the intention to create a trust. While oftentimes the

intention is manifested by the trustor in express or explicit language, such intention may be manifested by inference from what the trustor has said or done, from the nature of the transaction, or from the circumstances surrounding the creation of the purported trust.[49]

However, an inference of the intention to create a trust, made from language, conduct or circumstances, must be made with reasonable certainty.[50] It cannot rest on vague, uncertain or indefinite declarations. An inference of intention to create a trust, predicated only on circumstances, can be made only where they admit of no other interpretation.[51] In the present case, credible witnesses testified that (1) the lands subject of Expedientes 241 and 4449 were made and transferred in the name of Jose merely for convenience since Juan predeceased Jacobo; (2) despite the Compraventas, transferring all the lands in Jose's name, Jacobo continued to perform all the acts of ownership including possession, use and administration of the lands; (3) Jacobo did not want to partition the lands because he was still using them; (4) when Jacobo died, Jose took over the administration of the lands and conscientiously and unfailingly gave his siblings their share in the produce of the lands, in recognition of their share as co-owners; and (5) Jose did not repudiate the claim of his siblings and only explained upon their expression of the desire for partitioning, that it was not going to be an easy task.

From all these premises and the fact that Jose did not repudiate the claim of his co-heirs, it can be concluded that as far as the lands covered by Expediente Nos. 241 and 4449 are concerned, when Jacobo transferred these lands to Jose, in what the lower court said were simulated or falsified sales, Jacobo's intention impressed upon the titles of Jose a trust in favor of the true party-beneficiaries, including herein respondents.

Under the doctrine of partial performance recognized in this jurisdiction, the objection to the oral character of a trust may be overcome or removed where there has been partial performance of the terms of the trust as to raise an equity in the promisee.[52] A trustee may perform the provisions of the trust, and if he does, the beneficiary is protected in benefits that he has received from such performance.[53] Thus, when a verbal contract has been completed, executed or partially consummated, its enforceability will not be barred by the Statute of Frauds, which applies only to an executory agreement.[54] Noteworthy, despite the compraventas transferring the lands in his name, Jose unfailingly gave his siblings their share of the produce of the lands. Furthermore, not only did he fail to repudiate the trust, he also assured his co-heirs that it was the inconvenience of partitioning that kept him from transferring the shares of his siblings to them. Accordingly, with respect to the lands covered by Expediente Nos. 241 and 4449, an express trust exists with Jose Ringor as trustee in favor of all the heirs of Jacobo Ringor. As far as prescription or laches are concerned, they pose no hindrance or limitation to the enforcement of an express trust.[55]

Finally, on the lands covered in Expediente 244, we note that as a "donacion de su abuelo," the donation impaired the hereditary rights of succession of Jose's co-heirs. Nevertheless, these were transferred to Jose by final judgment of the land registration court. Despite the registration in Jose's name, Jose did not take possession over them from the date of registration to the time of Jacobo's death. Instead, while alive, Jacobo retained possession, and continued the administration of the lands. Considering then these circumstances, Article 1449 of the New Civil Code on implied trusts is the pertinent law. It provides that, "[t]here is also an implied trust when a donation is made to a person but it appears that although the legal estate is transmitted to the donee, he nevertheless is either to have no beneficial interest or only a part thereof." Article 1449 creates a resulting trust where the donee becomes the trustee of the real beneficiary.[56] Generally, resulting trusts do not prescribe except when the trustee repudiates the trust.[57] Further, the action to reconvey does not prescribe so long as the property stands in the name of the trustee.[58] To allow prescription would be tantamount to allowing a trustee to acquire title against his principal and true owner.[59] Here, Jose did not repudiate the trust, and the titles of the disputed lands are still registered in Jose's name or in the name of the Heirs of Jose M. Ringor, Inc.

Petitioners contend, however, that the court a quo virtually nullified all the land titles in Jose's name when it declared that the disputed lands belong to the intestate estate of Jacobo and Jose and his siblings were co-owners thereof. This, petitioners aver, violates the principle of res judicata and the indefeasibility of the Torrens title.

Nothing is farther from the truth than this contention. A trustee who obtains a Torrens title over a property held in trust for him by another cannot repudiate the trust by relying on the registration.[60] A Torrens Certificate of Title in Jose's name did not vest ownership of the land upon him. The Torrens system does not create or vest title. It only confirms and records title already existing and vested. It does not protect a usurper from the true owner.[61] The Torrens system was not intended to foment betrayal in the performance of a trust.[62] It does not permit one to enrich himself at the expense of another. Where one does not have a rightful claim to the property, the Torrens system of registration can confirm or record nothing.[63] Petitioners cannot rely on the registration of the lands in Jose's name nor in the name of the Heirs of Jose M. Ringor, Inc., for the wrong result they seek. For Jose could not repudiate a trust by relying on a Torrens title he held in trust for his co-heirs.[64] The beneficiaries are entitled to enforce the trust, notwithstanding the irrevocability of the Torrens title. The intended trust must be sustained.

To recapitulate, we find no reversible error in the assailed decision of the appellate court. We are in agreement in sustaining the findings and conclusions of the court a quo. The trial court found in favor of herein respondents' claim that the deeds of sale that caused the registration of the TCTs in Expedientes 241 and 4449 in Jose's name were invalid. The deeds were false, simulated and clearly without consideration. The trial court also found that Jose owned only about three hectares of land which he farmed, and he had no other means for his alleged purchases. He was never in business, nor gainfully employed in the government or in the private sector. Neither were the children of Jose propertied nor employed.[65] In fine, we sustain its findings on the invalidity of the deeds of sale for being simulated and false.

As for the donations of the lands in Expediente 244, the basis of which was an alleged "donacion de su abuelo" the trial court concluded they were invalid donations because no deed of donation was ever shown. The trial court noted that the documents evidencing the donations were never presented for registration simply because there was never a donation to Jose and because at the time the application was filed, Jacobo's only son, Juan, was still alive. The donation was allegedly made merely to facilitate the registration of the lands in Jose's name.[66] As found by the trial court and sustained by the appellate court, it was merely for convenience that Jacobo registered the lands in the name of Jose. He did not intend to relinquish his rights to the lands. His intention was clearly to keep the lands for himself until his death, and it was to be understood that Jose was merely a trustee. We are not inclined to disturb these findings and conclusions of the trial court, sustained by the Court of Appeals, which persuasively convince us that the transfers of the lands in Expedientes 241 and 4449 were simulated sales, and in Expediente 244 the transfers were invalid donations.

WHEREFORE, the petition is DENIED for lack of merit. The Decision dated November 27, 2000 of the Court of Appeals, affirming the Decision of the Regional Trial Court, formerly the Court of First Instance of Dagupan City, Branch 43, is hereby AFFIRMED. Costs against petitioners.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Ynares-Santiago, Carpio, and Azcuna, JJ., concur.

[1] Rollo, pp. 46-66. Penned by Associate Justice Cancio C. Garcia, with Associate Justices Romeo A. Brawner, and Andres B. Reyes, Jr. concurring.

[2] Id. at 68.

- [3] Exhs. “D-3” and “D-5,” Exhibits for Plaintiffs, pp. 34, 36.
- [4] Exh. “D-6,” Id. at 46.
- [5] Exh. “D-7,” Id. at 45.
- [6] Exh. “D-9,” Id. at 49.
- [7] Exh. “D-10,” Id. at 53.
- [8] Exh. “D-13,” Id. at 54.
- [9] Exh. “13,” Exhibits for the Defendants, p. 20.
- [10] Exh. “E-2,” Exhibits for Plaintiffs, p. 62.
- [11] Exh. “4,” Exhibits for the Defendants, p. 8; Exh. “E-1,” Id. at 65.
- [12] Records, p. 682.
- [13] Id. at 685; Exh. “A-2,” Exhibits for Plaintiffs, p. 3.
- [14] Exhs. “A,” “A-1,” “A-2,” Id. at 2-3.
- [15] Exh “A-4” and “B-3,” Id. at 7 and 21.
- [16] Exh. “A-5,” Id. at 8.
- [17] Exh. “A-8,” Id. at 14-15.
- [18] Exh. “14,” Exhibits for the Defendants, p. 22.
- [19] Also referred to as “Monces” in other parts of the records.
- [20] TSN, 13 March 1975, p. 9.
- [21] TSN, 19 January 1984, p. 9; TSN, 30 January 1985, pp. 9-14; TSN, 6 March 1985, p. 9.
- [22] TSN, 13 March 1975, pp. 4 and 10; TSN, 28 July 1975, pp. 5-7 and 10; TSN, 25 July 1984, pp. 3-4; TSN, 30 January 1985, pp. 14-15; TSN, 24 September 1985, pp. 9, 11, 12 and 13; TSN, 20 March 1986, pp. 10, 11 and 12; and TSN, 15 April 1986, p. 15.
- [23] TSN, 13 March 1975, p. 9; TSN, 24 September 1985, p. 12.
- [24] TSN, 24 September 1985, pp. 11-19.
- [25] Records, p. 686.
- [26] Id. at 135.
- [27] Id. at 1-3.
- [28] Id. at 8.
- [29] Id. at 10-11.
- [30] Id. at 163-165.
- [31] Rollo, p. 55.

[32] Records, pp. 696-697.

[33] Id. at 687-691.

[34] Art. 1443. No express trusts concerning an immovable or any interest therein may be proved by parol evidence.

[35] Records, p. 691.

[36] Id. at 691-694.

[37] Rollo, pp. 179-181.

[38] Milestone Realty and Co., Inc. v. Court of Appeals, G.R. No. 135999, 19 April 2002, 381 SCRA 406, 417.

[39] Art. 1440. A person who establishes a trust is called the trustor; one in whom confidence is reposed as regards property for the benefit of another person is known as the trustee; and the person for whose benefit the trust has been created is referred to as the beneficiary.

[40] Art. 1441. Trusts are either express or implied. Express trusts are created by the intention of the trustor or of the parties. Implied trusts come into being by operation of law.

[41] Supra, note 34.

[42] Art. 1444. No particular words are required for the creation of an express trust, it being sufficient that a trust is clearly intended.

[43] Art. 1445. No trust shall fail because the trustee appointed declines the designation, unless the contrary should appear in the instrument constituting the trust.

[44] Art. 1446. Acceptance by the beneficiary is necessary. Nevertheless, if the trust imposes no onerous condition upon the beneficiary, his acceptance shall be presumed, if there is no proof to the contrary.

[45] 76 Am Jur 2d, p. 50.

[46] Vda. de Esconde v. Court of Appeals, G.R. No. 103635, 1 February 1996, 253 SCRA 66, 73.

[47] 76 Am Jur 2d, p. 98 citing Huff v. Byers, 209 Ky 375, 272 SW 897.

[48] Id. at 291, citing Simpson, Jr. v. Henry N. Clark Co., 316 Mass 118, 55 NE2d 10, 154 ALR 380.

[49] Id. at 95, citing Shumway v. Shumway, 141 Kan 835, 44 P2d 247.

[50] Id. at 93.

[51] Id. at 96, citing Trubey v. Pease, 240 Ill 513, 88 NE 1005; Sindlinger v. Department of Financial Institutions, 210 Ind 83, 199 NE 715, 105 ALR 501; Wadd v. Hazelton, 137 NY 215, 33 NE 143.

[52] Id. at 106, citing Ducie v. Ford, 138 US 587, 34 L. Ed 1091, 11 S. Ct 417.

[53] Ibid., citing Reddy v. Graham, 110 Kan 753, 205 P 362; Collins v. Collins, 98 Md 473, 57 A 597.

[54] Cordial v. Miranda, G.R. No. 135495, 14 December 2000, 348 SCRA 158, 171.

[55] Secuya v. Vda. de Selma, G.R. No. 136021, 22 February 2000, 326 SCRA 244, 254.

[56] Edgardo Paras, CIVIL CODE OF THE PHILIPPINES, Vol. IV, 2000 Ed. p. 883.

[57] Intestate Estate of Alexander T. Ty v. Court of Appeals, G.R. Nos. 112872 & 114672, 19 April 2001, 356 SCRA 661, 669.

[58] Ibid., citing Manalang, et al. v. Canlas, et al., No. L-6307, 20 April 1954, 94 Phil. 776.

[59] Ibid.

[60] Vilorio v. Court of Appeals, G.R. No. 119974, 30 June 1999, 309 SCRA 529, 537.

[61] Rosario v. Court of Appeals, G.R. No. 127005, 19 July 1999, 310 SCRA 464, 482, citing Santiago v. Court of Appeals, G.R. No. 103959, 21 August 1997, 278 SCRA 98, 109.

[62] Municipality of Victorias v. Court of Appeals, No. L-31189, 31 March 1987, 149 SCRA 32, 45; Escobar v. Locsin, No. 48309, 30 January 1943, 74 Phil 86, 87.

[63] Rosario v. Court of Appeals, *supra*.

[64] See Sotto v. Teves, No. L-38018, 31 October 1978, 86 SCRA 154, 178.

[65] Records, p. 687.

[66] *Id.* at 688.

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