

HEIRS OF FERDINAND ROXAS, NAMELY: ANGELA MARGARITA T. ROXAS, DYAN PAULA T. ROXAS, MICHAEL JUDE T. ROXAS, AND MARIA KATRINA T. ROXAS, PETITIONERS, VS. HEIRS OF MELANIA ROXAS, NAM...

G.R. No. 254452, November 27, 2024

Ponente: INTING, J.

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INTING, J.:

Before the Court is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court filed by the heirs of Ferdinand A. Roxas (Ferdinand), namely: Angela Margarita T. Roxas (Angela), Dyan Paula T. Roxas (Dyan), Michael Jude T. Roxas (Michael), and Maria Katrina T. Roxas (Katrina) (collectively, the Heirs of Ferdinand), assailing the Decision[2] dated February 13, 2020, and the Resolution[3] dated September 29, 2020, of the Court of Appeals (CA) in CA-G.R. CV No. 109260. The CA reversed the Decision[4] dated January 19, 2017, of Branch 5, Regional Trial Court (RTC), Baguio City, First Judicial Region in Civil Case No. 8146-R.

The Antecedents

Antonio Roxas (Antonio) and Melania Roxas (Melania) are the parents of Ferdinand, Manuel A. Roxas (Manuel), Maria Rosario Roxas-Ureta (Maria), Alexander A. Roxas (Alexander), Salome Roxas-Pantaleon (Salome), Paul Gerardo Roxas (Paul), Elaine Roxas-Gamboa (Elaine), Ma. Imelda Roxas-Cruz (Imelda), David Anthony Roxas (David), Conrado A. Roxas (Conrado), and Jesus A. Roxas (Jesus).[5]

In 1970, Melania's cousin Felicisima Garcia, married to Alfonso Garcia, executed a Deed of Absolute Sale (DOAS) in favor of Ferdinand over a 500-square-meter parcel of land located at Loakan, Baguio City (subject lot). Transfer Certificate of Title (TCT) No. T-16657 was thereafter issued in Ferdinand's name. Melania built a house on the subject lot which the family used as a vacation house and residence of some of their children.[6]

From 1990 to 1995, Melania rented out a portion of the subject property to Alfredo Sison (Alfredo). In 1991, Paul started residing on the subject property together with his family.[7]

Antonio died on April 1, 1995. Subsequently, Ferdinand died on September 18, 2004, while Melania died on January 1, 2011.[8]

On November 11, 2014, Manuel, Maria, Alexander, Salome, Paul, Elaine, Imelda, and David (collectively, the Heirs of Melania) filed a Complaint[9] for the declaration of nullity of the DOAS and the cancellation of TCT No. T-16657. They alleged that it was Melania who purchased the subject lot, but she placed it in Ferdinand's name to protect the interests of her children in view of the existence of Antonio's illegitimate children. Ferdinand was 19 years old and still studying at the time of the sale. The house that Melania had built is declared in her name. Ferdinand never questioned his sibling's use of the subject property. The Heirs of Melania filed the complaint because the Heirs of Ferdinand sought to take over the subject property after Melania's death. The latter filed an unlawful detainer case against Paul before Branch 1, Municipal Trial Court in Cities, Baguio City. Jesus approved

of the Complaint but did not join his siblings because he resides abroad. As for Conrado, his relationship with the Heirs of Melania is strained because he wants them to change their religion.[10]

The Heirs of Ferdinand countered that Ferdinand is the true owner of the subject lot. Antonio and Melania gave him the money to pay for the subject lot as they were overjoyed that he was about to graduate from college. Melania constructed the house with the permission of Ferdinand. Similarly, Ferdinand allowed Melania to rent out the property and keep the proceeds from it. Ferdinand also allowed Paul to reside on the subject property on the condition that he would vacate upon being asked to do so. When he asked Paul to leave, Melania pleaded with him to allow his brother to stay at least while she was still alive. Ferdinand paid the real property tax for the subject lot.[11]

The Heirs of Ferdinand averred that in 1988, Antonio and Melania transferred their assets to their family corporation, Mel-Rox Realty Inc. (Mel-Rox). After Antonio died, Mel-Rox gave the former's illegitimate children their share in his inheritance. Angela explained that Antonio's illegitimate children had their claim annotated on the titles of the properties registered under Mel-Rox. Thus, Mel-Rox paid Antonio's illegitimate children their claim on the estate of Antonio.[12] This prompted the legitimate children of Antonio and Melania to also ask for their share. On March 7, 1997, Melania, Conrado, Ferdinand, Elaine, and Imelda, as officers of Mel-Rox, executed a document entitled "Donation/Gifts of Real Property and its Cash Equivalents to the Roxas Children from Mr. and Mrs. Antonio and Melania Roxas"[13] (Donation Document). Ferdinand's siblings were either given money or property. He did not receive anything as the subject property was already given to him.[14]

After Ferdinand died, the Heirs of Ferdinand met with some of the Heirs of Melania regarding the subject property as it was Ferdinand's wish for them to take over and improve it. They wanted to take possession of the subject property, but the Heirs of Melania told them that they could only do so after Melania's death. But even after Melania's death, Paul stayed on the subject property. Hence, they filed an ejectment case against him.[15]

The Ruling of the RTC

The RTC ruled in favor of the Heirs of Ferdinand in its Decision;[16] thus:

WHEREFORE, all the foregoing considered, judgment is hereby rendered ordering the DISMISSAL of the complaint for lack of merit and directing plaintiffs to pay the defendants the amount of [PHP] 30,000.00 as attorney's fees.

SO ORDERED.[17]

First, the RTC held that the action has not prescribed as an action for the declaration of the inexistence of an absolutely simulated or fictitious contract does not prescribe. The RTC likewise held that laches has not set in against the Heirs of Melania. They were in possession of the subject property and had no reason to assert their right until the Heirs of Ferdinand sought to eject Paul from it. Second, the RTC ruled that Antonio and Melania were the true purchasers of the subject lot and that Ferdinand held it in trust for them. The RTC based this on Melania's improvement of the property, her payment of the taxes for it, the siblings' use of the subject property, and the Donation Document. Third, the RTC opined that the subject property was given to Ferdinand under the Donation Document. The Heirs of Melania did not submit evidence to prove their allegation that it was of dubious origin. Fourth, the RTC found that all the elements for a valid contract were present. Hence, it refused to declare the DOAS void because it was not simulated. Finally, the RTC held that the Heirs of Melania acted in bad faith when they filed the Complaint because they knew that the subject property was already given to Ferdinand. Hence, it ordered them to pay attorney's fees for unnecessarily dragging the Heirs of Ferdinand into litigation.[18]

The Heirs of Melania appealed to the CA.[19]

The Ruling of the CA

The CA granted the appeal in its Decision[20] dated February 13, 2020, the dispositive portion of which provides:

WHEREFORE, the instant Appeal is GRANTED and the assailed Decision dated 19 January 2017 issued by the Regional Trial Court, First Judicial Region, Branch 5, Baguio City in Civil Case No. 8146-R is REVERSED.

This Court hereby ORDERS the Register of Deed[s] of Baguio City to CANCEL TCT No. T-16657 and issue a new title covering TCT No. T-16657 in the name of Melania Roxas, and is DECLARED part of her estate for division among her legal heirs.

SO ORDERED.[21]

First, the CA ruled that Ferdinand was not the real buyer of the subject lot and that the DOAS was a relatively simulated contract. The CA observed that the Heirs of Ferdinand made conflicting claims. On the one hand, they said in their Answer that Ferdinand purchased the subject lot. On the other hand, they said in their Appellees' Brief that Melania donated the subject lot to Ferdinand. The CA noted that Ferdinand was not financially capable to buy the subject lot and that the Heirs of Ferdinand did not dispute the Heirs of Melania's contention that Melania placed the subject lot in Ferdinand's name to protect it from Antonio's illegitimate children. Thus, the CA concluded that the true buyer of the subject lot was Melania.[22]

Second, the CA stated that Melania could not have donated the subject lot if it was true that it belonged to Ferdinand. Assuming arguendo that Ferdinand was a donee, the CA did not find the donation to be valid because the requisites under Articles 737[23] and 749[24] of the Civil Code were not complied with.[25]

Third, the CA held that the Donation Document cannot be considered a will, and it is only through a will that Melania could have validly disposed of her properties.[26]

Finally, the CA found that Ferdinand held the subject lot in trust for Melania pursuant to Article 1448 of the Civil Code. The Heirs of Melania were able to prove that it was not given to him as a gift. As Melania was the true owner of the subject lot, the CA ruled that TCT No. T-16657 should be cancelled and a new title should be issued in her name, to be included in her estate that shall be divided among her heirs.[27]

The Heirs of Ferdinand filed a Motion for Reconsideration.[28] After the CA denied it,[29] they filed the present Petition before the Court.

First, the Heirs of Ferdinand clarified that the Donation Document was neither a deed of donation nor a will but merely a list executed by the Board of Directors of Mel-Rox. It was intended to confirm that ownership over the subject lot was meant to be vested in Ferdinand. There was no need to execute a separate document because the title is already in Ferdinand's name. Notably, Elaine and Imelda did not dispute their signatures in the Donation Document. Second, the Heirs of Ferdinand's possession of TCT No. T-16657 is proof that they are the owners of the subject lot. Melania would have kept the title if she wanted to prevent Ferdinand from selling or encumbering it. Third, the Heirs of Ferdinand only admitted that the house was declared in Melania's name, but they did not admit that she paid the real property taxes for it. The Heirs of Melania did not present evidence that she paid the real property taxes, unlike the Heirs of Ferdinand who submitted several tax receipts. Fourth, the Heirs of Melania failed to prove that Ferdinand was holding the subject lot in trust for Melania. The Heirs of Ferdinand were able to establish their ownership over the subject lot. Thus, the presumption under Article 1448 of the Civil Code that the subject lot was donated to him stands. Finally, Paul's occupation was by mere tolerance of Ferdinand. In the unlawful detainer case, the Court[30] upheld the CA Decision[31] dated May 24, 2017, issued in CA-G.R. SP No. 147234, which affirmed the ruling of the RTC in favor of the Heirs of Ferdinand.[32]

The Heirs of Melania filed their Comment[33] wherein they argued that the CA correctly found that Melania displayed acts of ownership over the subject property, thus showing her intent to have Ferdinand hold the subject lot in trust for her. As such, they opined that the petition should not be given due course.[34]

The Heirs of Ferdinand filed a Reply[35] reiterating their previous arguments.

The Issue

The issue for the Court's resolution is whether the CA erred in ruling that Ferdinand was merely holding the subject lot in trust for Melania.

The Ruling of the Court

Considering the varying findings of the RTC and the CA, the Court deems it proper to give due course to the arguments raised by the Heirs of Ferdinand, albeit they involve factual issues.[36]

The Court grants the Petition.

Article 1448 of the Civil Code states:

ARTICLE 1448. There is an implied trust when property is sold, and the legal estate is granted to one party but the price is paid by another for the purpose of having the beneficial interest of the property. The former is the trustee, while the latter is the beneficiary. However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child.

The implied trust under Article 1448 is called a purchase money resulting trust, which has the following elements: (a) an actual payment of money, property or services, or an equivalent, constituting valuable consideration; and (b) such consideration must be furnished by the alleged beneficiary of a resulting trust. The party alleging the existence of the trust bears the burden of proving it.[37]

Notably, the last sentence of Article 1448 states that if the title is conveyed to a child of the one paying the price of the sale, the disputable presumption is that there is a gift in favor of the child. There being no question that Ferdinand is the child of Melania, and that Melania paid the purchase price for the subject lot, there is a disputable presumption that Melania intended to donate the subject lot to Ferdinand.

Being a disputable presumption, it may be overturned by contrary evidence. In *Tong v. Go Tiat Kun*,[38] the Court held that the presumption was overturned because of several factors. First, the child under whose name the property was titled did not prove that he had the means to pay for it. Second, the parent and his other children always had possession of the property. Third, the property remained undivided even though it was registered in the name of one child. The surviving heirs of the child under whose name it was titled only claimed ownership after the death of said child. Fourth, the surviving heirs of the child admitted that their predecessor-in-interest did not send any letter claiming ownership over the property and that they had their own residence. Finally, the parent paid the real property taxes.[39]

The Court disagrees with the CA that the Heirs of Melania successfully overturned the presumption in favor of Ferdinand.

Ferdinand admittedly did not pay for the subject lot. In addition, the subject lot was not divided. But the similarities with *Tong* end there. It was Ferdinand and his heirs who paid for the real property taxes on the subject lot.[40] Melania also consistently asked Ferdinand to permit Paul to stay in the subject lot and the house she had built. This showed that she respected Ferdinand as the owner of the subject lot. More, the Heirs of Ferdinand are in possession of TCT No. T-16657.

Melania's act of building a house on the subject lot, paying the taxes for said house,[41] and renting out a portion thereof,[42] do not negate her donative intent. As explained by Associate Justice Alfredo Benjamin S. Caguioa (Associate Justice Caguioa), "these actions pertain only to the exercise of the right to the possession, use, and fruits of the lot." [43]

Having settled that the presumption under Article 1448 stands, it must be determined if the donation should still comply with the formal requirements under the Civil Code. These requirements would depend on whether the property donated is movable or immovable.

In the Answer of the Heirs of Ferdinand before the RTC, they stated that what was given by Melania to Ferdinand was the money to purchase the subject lot.[44] Therefore, the applicable provision is Article 748 of the Civil Code, which states that "[i]f the value of the personal property donated exceeds five thousand pesos, the donation and the acceptance shall be made in writing. Otherwise, the donation shall be void." The DOAS states that the purchase price for the subject lot is exactly PHP 5,000.00;[45] hence, the donation need not be made in writing.

In any event, Associate Justice Caguioa astutely observed that "it would be illogical for the law to require the presumed donation to still comply with the formal requisites because otherwise, there would be no need for the presumption." [46] The presumption under Article 1448 is necessary precisely because the parent chose an unconventional mode in donating property to their child. The presumption under Article 1448 should not be overturned due to the failure to comply with the formal requisites under Articles 748 or 749 of the Civil Code but should instead be based on proof that the parent did not intend to donate the property to the child.

Accordingly, the Court agrees with the RTC that the complaint of the Heirs of Melania should be dismissed. However, the Court cannot sustain the award of attorney's fees for lack of factual and legal bases under Article 2208 of the Civil Code.

WHEREFORE, the Petition for Review on Certiorari is GRANTED. The Decision dated February 13, 2020, and the Resolution dated September 29, 2020, of the Court of Appeals in CA-G.R. CV No. 109260 are REVERSED and SET ASIDE. The Decision dated January 19, 2017, of Branch 5, Regional Trial Court, Baguio City, First Judicial Region in Civil Case No. 8146-R is REINSTATED with the MODIFICATION in that the award of attorney's fees is DELETED.

SO ORDERED.

Gaerlan and Dimaampao, JJ., concur.

Caguioa J. (Chairperson), see concurring opinion.

Singh,[*] J., on official business.

[*] On official business.

[1] Rollo, pp. 3-26.

[2] Id. at 27-40. Penned by Associate Justice Ronaldo Roberto B. Martin and concurred in by Associate Justices Manuel M. Barrios and Walter S. Ong of the Fifteenth Division, Court of Appeals, Manila.

[3] Id. at 41-44. Penned by Associate Justice Ronaldo Roberto B. Martin and concurred in by Associate Justices Manuel M. Barrios and Walter S. Ong of the Former Fifteenth Division, Court of Appeals, Manila.

[4] Id. at 46-53. Penned by Presiding Judge Maria Ligaya V. Itliong-Rivera.

[5] Id. at 28.

[6] Id. at 28-29.

[7] Id. at 29.

[8] Id. at 28.

[9] Records, pp. 4-9.

[10] Rollo, pp. 28-29, 47, 57.

[11] Id. at 29, 48.

[12] Records, p. 125. Judicial Affidavit of Angela Margarita T. Roxas.

[13] Rollo, p. 45.

[14] Id. at 47-48.

[15] Id. at 48.

[16] Id. at 46-53.

[17] Id. at 53.

[18] Id. at 49-53.

[19] Records, pp. 375-377. See Notice of Appeal dated May 22, 2017.

[20] Rollo, pp. 27-40.

[21] Id. at 40.

[22] Id. at 32-34.

[23] ARTICLE 737. The donor's capacity shall be determined as of the time of the making of the donation.

[24] ARTICLE 749. In order that the donation of an immovable may be valid, it must be made in a public document, specifying therein the property donated and the value of the charges which the donee must satisfy.

The acceptance may be made in the same deed of donation or in a separate public document, but it shall not take effect unless it is done during the lifetime of the donor.

If the acceptance is made in a separate instrument, the donor shall be notified thereof in an authentic form, and this step shall be noted in both instruments.

[25] Rollo, pp. 34-35.

[26] Id. at 35-37.

[27] Id. at 37-40.

[28] CA rollo, pp. 127-142.

[29] Rollo, pp. 41-44. See Resolution dated September 29, 2020.

[30] Id. at 66-67. See Resolution dated September 5, 2018.

[31] Id. at 54-65. Penned by Associate Justice Jane Aurora C. Lantion and concurred in by Associate Justices Fernanda Lampas Peralta and Victoria Isabel A. Paredes of the Fifth Division, Court of Appeals, Manila.

- [32] Id. at 11-23.
- [33] Id. at 101-104.
- [34] Id. at 102.
- [35] Id. at 110-117.
- [36] See *Tong v. Go Tiat Kun*, 733 Phil. 581, 590 (2014).
- [37] *Herbon v. Palad*, 528 Phil. 130, 141 (2006).
- [38] 733 Phil. 581 (2014).
- [39] Id. at 590-591.
- [40] Records, pp. 150-158.
- [41] Id. at 22.
- [42] Id. at 31, Answer.
- [43] J. Caguioa, Concurring Opinion, p. 3.
- [44] Id. at 30.
- [45] Id. at 20.
- [46] J. Caguioa, Concurring Opinion, p. 7.

CONCURRING OPINION

CAGUIOA, J.:

I concur.

The donor's subsequent acts relating to the possession and use of the donated property are not inconsistent with the donee's ownership rights and do not negate the donative intent. Further, when a donation is presumed under Article 1448 of the New Civil Code, the formalities for donations under Articles 748 and 749 do not apply.

To briefly recall the facts, Ferdinand A. Roxas (Ferdinand) purchased a parcel of land in Baguio City from a certain Felicisima Garcia (Felicisima), with the purchase price being paid by his mother, Melania Roxas (Melania).[1] The deed of absolute sale indicated Ferdinand as the buyer and registration of title was transferred from Felicisima to Ferdinand.[2]

After Ferdinand and Melania's deaths, the Heirs of Melania filed a complaint for the declaration of nullity of the deed of absolute sale and Ferdinand's certificate of title, claiming, among other reasons, that Melania is the true owner of the lot because Ferdinand was only 19 years old at the time and still studying,[3]

For their part, the Heirs of Ferdinand claim that Ferdinand is the true owner of the lot, it having been given to him by Melania as a graduation gift.[4] The Heirs of Ferdinand invoke the presumed donation under Article 1448 of the New Civil Code:

ARTICLE 1448. There is an implied trust when property is sold, and the legal estate is granted to one party but the price is paid by another for the purpose of having the beneficial interest of the property. The former is the trustee, while the latter is the beneficiary. However, if the person to whom the title is conveyed is a child,

legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child.[5] (Emphasis supplied)

There also appear other relevant facts that transpired after the purchase:

- Melania built a house on the lot which the family used as a vacation house and as a residence for some of the children.[6]
- Melania paid[7] the real property taxes due on the house which is declared in her name.[8]
- Melania rented out a portion of the residential house to a certain Alfredo Sison (Alfredo) for five years.[9]
- Ferdinand's sibling, Paul Gerardo Roxas (Paul), resided in the house together with his family. Ferdinand's attempts to evict Paul from the property were unsuccessful because of Melania's intervention.[10] After Ferdinand's death, his heirs waited until Melania's death before filing the ejectment case against Paul.[11]
- Ferdinand paid the real property taxes due on the lot.[12]
- The Heirs of Ferdinand are in possession of Ferdinand's Transfer Certificate of Title over the property.[13]

Considering that Melania, the parent, paid the purchase price of the lot which was conveyed to her son, Ferdinand, there is no doubt that the presumed donation under Article 1448 applies.

But the question that is now raised is whether this presumption has been overturned. The Court of Appeals (CA) found, and the Heirs of Melania argue, that Melania's act of building a residential house on the lot, paying the real property tax on the house, leasing the property to Alfredo, and interfering in the ejectment of Paul, are acts of ownership that overturn the presumption of a donation under Article 1448.[14]

I agree with the ponencia that the presumed donation under Article 1448 should stand. Melania's actions after the transaction, as stated above, relate only to the possession, not ownership, of the lot. Ownership is different from possession of a property. An owner has the inherent right to possess (*Jus possidendi*), to use (*Jus utendi*), and to receive the fruits (*Jus fruendi*) of the property.[15] These, however, are only attributes of ownership, and should not be confused with ownership itself of the property. An owner remains as such even if he or she allows another to exercise these rights, say for instance when he or she leases the property. In that case, the lessee is granted the right to possess and use the property, and even the right to its fruits (if sublease is allowed), without diminishing the owner's title to the property.

The same distinction (i.e., ownership versus the rights of ownership) applies in the case of donations. Under the New Civil Code, the donor may reserve certain rights over the property donated. For instance, he or she may retain the right to the property's fruits[16] or reserve the right to its usufruct.[17] He or she may in fact impose any condition or limitation on the donation so long as it is not contrary to law, public policy, or morals.[18] In other words, the law generally allows the donee to acquire ownership of the property even if some attributes of ownership are retained or withheld by the donor.

In the present case, Melania (the donor) exercised some of these rights even after she had already donated the property to Ferdinand (i.e., by purchasing the property for Ferdinand). Melania built a house on the donated lot, paid taxes on the house, rented out a portion of the house to Alfredo, and interfered in the ejectment of Paul. These actions pertain only to the exercise of the right to the possession, use, and fruits of the lot—their exercise is not inconsistent with the presumption under Article 1448 that she intended to donate the lot to Ferdinand. In other words, Melania's actions do not negate her donative intent and do not overcome the presumed donation under Article 1448.

Indeed, this presumption is strengthened by the undisputed fact that Ferdinand had been in possession of the

transfer certificate of title and had been paying the taxes on the lot until his death. As a donee and the new owner of the lot, it was Ferdinand's responsibility to pay the taxes thereon.

Furthermore, I wish to highlight that the lot is registered under the name of Ferdinand, while the house thereon is declared under Melania's name for tax purposes. There is nothing anomalous about this because it is common practice in local government units (LGU) to allow a person other than the registered owner of the lot to secure a tax declaration for the improvement under in his or her own name. The LGU would ordinarily ask the declarant to show that the construction of the improvement is authorized by the lot owner. This is usually shown by the declarant's submission of a contract of lease, a deed of absolute sale, or some other document bearing the written authorization of the lot owner. The same requirement applies when a person who is not the registered owner of the lot applies for a building permit from the LGU. Under Section 301 of the Implementing Rules and Regulations of the National Building Code (Building Code IRR), no person shall construct any building or structure without first obtaining a building permit therefor. Under Section 302 of the Building Code IRR, if the building permit applicant is not the registered owner of the lot, he or she must submit a notarized copy of the contract of lease or deed of absolute sale.

In view of the above requirements, the declarant's obtention of a tax declaration and building permit for the improvement is an implied recognition that the declarant is not the owner of the registered land. Of course, this is unless the declarant claims before the LGU to be the owner of the lot by virtue of some deed of conveyance such as a deed of absolute sale or deed of donation.

In this case, since Melania was able to construct a house on the lot and obtain a tax declaration on the house in her name, and in the absence of any deed of conveyance transferring ownership of the lot from Ferdinand to Melania, it can be reasonably presumed that Melania was able to establish to the LGU that Ferdinand consented to the construction of such house on his lot—which, again, is a recognition by Melania that she is not the owner of the lot. This recognition by Melania is consistent with and supports her donative intent which is presumed by Article 1448.

The question that now arises is whether the presumed donation must comply with the formal requirements of a donation under Articles 748 and 749 of the New Civil Code. These provisions state:

ARTICLE 748. The donation of a movable may be made orally or in writing.

An oral donation requires the simultaneous delivery of the thing or of the document representing the right donated.

If the value of the personal property donated exceeds five thousand pesos, the donation and the acceptance shall be made in writing. Otherwise, the donation shall be void.

ARTICLE 749. In order that the donation of an immovable may be valid, it must be made in a public document, specifying therein the property donated and the value of the charges which the donee must satisfy.

The acceptance may be made in the same deed of donation or in a separate public document, but it shall not take effect unless it is done during the lifetime of the donor.

If the acceptance is made in a separate instrument, the donor shall be notified thereof in an authentic form, and this step shall be noted in both instruments.

This issue surfaces because it does not appear that Melania executed any formal deed donating the lot to Ferdinand.

I concur with the ponencia's ruling that the presumed donation under Article 1448 should not be overturned by

non-compliance with Article 748 or Article 749 of the New Civil Code.[19] The formal requirements for donations under the said provisions should not be applied when the donation is presumed under Article 1448.

From my study, I have found only one case that expressly touched upon this issue. In *Abellana v. Spouses Ponce*[20] (*Abellana*), Felomina Abellana (*Felomina*) purchased a parcel of land but designated her niece, Lucila Ponce (*Lucila*), as the buyer in the deed of sale. The property was thus registered in Lucila's name. Years later, their relationship soured and Felomina filed an action for revocation of implied trust, praying for the recovery of legal title over the property. The Court found that Felomina was the true buyer of the lot and that she donated the same to Lucila by designating Lucila as the buyer in the deed of sale. However, the Court ruled that the donation was void because there was no compliance with Article 749 of the New Civil Code. According to the Court, the presumed donation under Article 1448 does not apply because there is no showing that Felomina stood as a substitute parent for Lucila and because, in any event, the donation did not comply with the formalities required by law. Thus:

In declaring Lucila as the owner of the disputed lot, the Court of Appeals applied, among others, the second sentence of Article 1448 which states —

. . . However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child.

Said presumption also arises where the property is given to a person to whom the person paying the price stands in loco parentis or as a substitute parent.

The abovesited provision, however, is also not applicable here because, first, it was not established that Felomina stood as a substitute parent of Lucila; and second, even assuming that she did, the donation is still void because the transfer and acceptance was not embodied in a public instrument. We note that said provision merely raised a presumption that the conveyance was a gift but nothing therein exempts the parties from complying with the formalities of a donation. Dispensation of such solemnities would give rise to anomalous situations where the formalities of a donation and a will in donations inter vivos, and donations mortis causa, respectively, would be done away with when the transfer of the property is made in favor of a child or one to whom the donor stands in loco parentis. Such a scenario is clearly repugnant to the mandatory nature of the law on donation.[21]

Applying *Abellana* to the present case, Melania's donation of the lot to Ferdinand would likewise be void for non-compliance with Article 749.

I submit that *Abellana* is an outlier case and does not constitute controlling doctrine. I further submit that the formal requirements of a donation mandated by Articles 748 and 749 do not apply when the donation's existence is presumed under the second sentence of Article 1448.

I expound.

First, "[a] disputable presumption has been defined as a specie of evidence that may be accepted and acted on when there is no other evidence to uphold the contention for which it stands, or one which may be overcome by other evidence." [22] Under Rule 131, Section 3 of the Rules of Court a disputable presumption is "satisfactory if uncontradicted, but may be contradicted and overcome by other evidence." [23] Further, "[a] party in whose favor the legal presumption exists may rely on and invoke such legal presumption to establish a fact in issue. One need not introduce evidence to prove that . . . fact[,] for a presumption is prima facie proof of the fact presumed." [24]

By its nature, a presumption dispenses with the need to prove the fact presumed, so long as the predicate facts establishing such presumption have been proven.

Under Article 1448, it is disputably presumed that a donation of property exists when a person pays the purchase price of the property but its title is conveyed to his or her child. The presumed donation is between the parent, as the donor, and the child, as the donee. This presumption is rebuttable, because it may appear that the parties actually intended a different type of contract. For instance, evidence may show that the parent simply lent the purchase price to the child, in which case there is no donation, but a bona fide purchase of property by the child from the seller, and a loan between the parent and the child. But in the absence of a contrary arrangement, the presumption must stand.

Second, it would be illogical for the law to require the presumed donation to still comply with the formal requisites because otherwise, there would be no need for the presumption.[25] Indeed, what use would the presumption under Article 1448 have if in the end, the donation and the acceptance must still comply with formal requirements imposed by Article 748 (for movables) and Article 749 (for immovables)? Certainly, in a situation where the parent buys property and causes that property to be registered in the name of the child (i.e., from the seller directly to the child), this will never comply with the formal requirements of Article 749. It is absurd to still require compliance with the formal requirements, and to insist so would be to require the very proof that the presumption seeks to dispense with. This view totally renders inutile Article 1448.

It is a settled principle in statutory construction that a statute must be so construed as to harmonize and give effect to all its provisions whenever possible.[26] Pursuant to this principle, the Court should harmonize Article 1448, on one hand, and Articles 748 and 749 on the other hand, so as to give effect to all these provisions. That may be done by ruling that the presumed donation under Article 1448 need not comply with the formal requirements under Articles 748 and 749.

Relatedly, I wish to highlight that the New Civil Code provisions on trust, including Article 1448, are new additions that were not present in the Old Civil Code. Aside from laying down specific provisions on trust, the New Civil Code also adopts the general principles of trusts, insofar as they are not in conflict with Philippine law. Thus, Article 1442 of the New Civil Code provides that "The principles of the general law of trusts, insofar as they are not in conflict with this Code, the Code of Commerce, the Rules of Court and special laws are hereby adopted." [27]

From a plain reading, these "principles of the general law of trusts" refer to principles found outside of the New Civil Code. In *Sumaoang v. RTC, Branch XXXI, Guimba, Nueva Ecija*, [28] for instance, the Court applied the American concept of constructive trust pursuant to Article 1442. Article 1448, however, should not be interpreted as one of the principles of trust referred to in Article 1442 for the simple reason that Article 1448 is already part of the New Civil Code. Although Article 1448 relates to trusts and may itself espouse a general principle of trust, its codification in the present Code takes it out of the ambit of Article 1442. Therefore, the conflict between Article 1448, on the one hand, and Articles 748 and 749, on the other, should not automatically be resolved in favor of the latter provisions pursuant to Article 1442. Rather, this conflict may be resolved by holding, as the ponencia holds, that when Article 1448 presumes a donation, that presumption is sufficient to uphold the validity of such donation even in the absence of any showing that the formal requirements under Articles 748 and 749 have been complied with.

The ruling in *Abellana* fails to convince, for the Court simply said there that Article 1448 is not exempt from the formal requirements because that would go against the mandatory provisions in the New Civil Code which require donations and wills to observe certain formalities. But that begs the question, why should a presumed donation under Article 1448 not be exempt from the required form when that interpretation will give life to the second sentence of Article 1448?

This view finds tangential support from the case of *Ty v. Ty*[29] (Ty). In that case, a certain Alexander Ty (Alexander) was the registered owner of a parcel of land located along EDSA in Mandaluyong City. He died at 34 years old, and when his estate was being settled, the administratrix wife sought to sell the property in order to pay the estate taxes due. This did not sit well with Alexander's father, Alejandro Ty, who filed a complaint seeking to recover the property, alleging that he was the one who paid the purchase price and that his son was merely holding the property in trust for his benefit. The Supreme Court held that no such trust existed and that there is a presumed donation in favor of the son pursuant to Article 1448. The relevant portions of the ruling provide:

The CA conceded that at least part of the purchase price of the EDSA property came from petitioner. However, it ruled out the existence of an implied trust because of the last sentence of Article 1448: . . . However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child.

Petitioner now claims that in so ruling, the CA departed from jurisprudence in that such was not the theory of the parties.

Petitioner, however, forgets that it was he who invoked Article 1448 of the Civil Code to claim the existence of an implied trust. But Article 1448 itself, in providing for the so-called purchase money resulting trust, also provides the parameters of such trust and adds, in the same breath, the proviso: "However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, NO TRUST IS IMPLIED BY LAW, it being disputably presumed that there is a gift in favor of the child."

Stated otherwise, the outcome is the necessary consequence of petitioner's theory and argument and is inextricably linked to it by the law itself.

The CA, therefore, did not err in simply applying the law.

Article 1448 of the Civil Code is clear. If the person to whom the title is conveyed is the child of the one paying the price of the sale, and in this case this is undisputed, NO TRUST IS IMPLIED BY LAW. The law, instead, disputably presumes a donation in favor of the child.

On the question of whether or not petitioner intended a donation, the CA found that petitioner failed to prove the contrary. This is a factual finding which this Court sees no reason the record to reverse.

The net effect of all the foregoing is that respondent is obliged to collate into the mass of the estate of petitioner, in the event of his death, the EDSA property as an advance of Alexander's share in the estate of his father, to the extent that petitioner provided a part of its purchase price.[30]

Ultimately, while the Court did not expound on the apparent conflict between Articles 1448 and 749, it upheld the presumed donation notwithstanding the absence of any showing that Article 749 was complied with. The ponencia's treatment of the presumed donation in this case is consistent with Ty.

All told, I agree that the presumption of the donation under Article 1448 has not been rebutted and that such presumption dispenses with the need to comply with the formal requirements under Articles 748 and 749.

Accordingly, I CONCUR in the grant of the Petition.

[1] Ponencia, pp. 2 and 8.

[2] Id.

[3] Id. at 3.

[4] Id.

[5] Emphasis supplied.

[6] Ponencia, p. 2.

[7] Id. at 5. See also rollo, p. 38, CA Decision.

[8] Ponencia, p. 3.

[9] Id.

[10] Id.

[11] Id. at 4.

[12] Id. at 3.

[13] Id. at 7.

[14] Rollo, pp. 37-38, CA Decision.

[15] See *Samartino v. Raon*, 433 Phil. 173, 189 (2002) [Per J. Ynares-Santiago, First Division].

[16] ARTICLE 729. When the donor intends that the donation shall take effect during the lifetime of the donor, though the property shall not be delivered till after the donor's death, this shall be a donation inter vivos. The fruits of the property from the time of the acceptance of the donation, shall pertain to the donee, unless the donor provides otherwise.

[17] ARTICLE 750. The donation may comprehend all the present property of the donor, or part thereof, provided he [or she] reserves, in full ownership or in usufruct, sufficient means for the support of himself [or herself], and of all relatives who, at the time of the acceptance of the donation, are by law entitled to be supported by the donor. Without such reservation, the donation shall be reduced in petition of any person affected.

[18] See NEW CIVIL CODE, art. 732 in relation to art. 1306.

[19] Ponencia, p. 10.

[20] 481 Phil. 125 (2004) [Per J. Ynares-Santiago, First Division].

[21] Id. at 137-138.

[22] *Magsaysay Maritime Corp. v. Heirs of Buenaflor*, 875 Phil. 253, 264-265 (2020) [Per J. J. Reyes, Jr., First Division]. Emphasis supplied.

[23] Emphasis supplied.

[24] *Diesel Construction Co., Inc. v. UPSI Property Holdings, Inc.*, 572 Phil. 494, 503 (2008) [Per J. Velasco, Jr., Second Division]. Emphasis supplied.

[25] See IV EDGARDO L. PARAS, CIVIL CODE OF THE PHILIPPINES ANNOTATED 933 (19[th] ed., 2021).

[26] See *Chavez v. Judicial and Bar Council*, 691 Phil. 173, 200 (2012) [Per J. Mendoza, En Banc].

[27] Emphasis supplied.

[28] 289 Phil. 577 (1992) [Per J. Feliciano, Second Division].

[29] 576 Phil. 296 (2008) [Per J. Azcuna, First Division].

[30] Id. at 321-322.

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