



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

SPOUSES ARMANDO and LORNA G.R. No. 197728
TRINIDAD,

Petitioners,

Present:

- versus -

VELASCO, JR., J., *Chairperson*,
PERALTA,
VILLARAMA,
PEREZ,**
JARDELEZA, JJ.

Promulgated:

DONA * MARIE GLENN IMSON,
Respondent.

September 16, 2015

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DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking the reversal and setting aside of the Decision¹ and Resolution of the Court of Appeals (CA), dated December 22, 2010 and June 23, 2011,² respectively, in CA-G.R. SP No. 110357. The assailed CA Decision reversed and set aside the Decision³ dated June 19, 2009 of the Regional Trial Court (RTC) of Pasig City, Branch 155, while the questioned CA Resolution denied petitioners' Motion for Reconsideration.

The factual and procedural antecedents of the case are as follows:

* Also spelled "Donna."

** Designated Acting Member in lieu of Associate Justice Bienvenido L. Reyes, per Special Order No. 2112 dated July 16, 2015.

¹ Penned by Associate Justice Michael P. Elbinias, with Associate Justices Remedios A. Salazar-Fernando and Celia C. Librea-Leagogo, concurring; *rollo*, pp. 52-67.

² Annex "F" to Petition, *id.* at 68-69.

³ Penned by Judge Luis R. Tongco; Annex "B" to Petition, *id.* at 43-47.

On August 17, 2007, herein petitioners filed with the Metropolitan Trial Court (*MeTC*) of Pasig City a Complaint⁴ for ejectment against herein respondent. In their Position Paper,⁵ petitioners alleged that: they are the owners of a condominium unit, denominated as Unit 2203, which is located at AIC Gold Tower, Emerald Avenue, Ortigas Center, Pasig City; they purchased the condominium unit from three (3) Indian nationals who originally contracted to buy the said property from the developer, AIC Realty Corporation (*AIC*), but had not fully paid for it yet; petitioners' purchase was evidenced by a Deed of Assignment and Transfer of Rights⁶ dated June 13, 2002 and, later on, a Deed of Absolute Sale⁷ dated July 13, 2007 in the name of petitioner Armando; at the time of petitioners' purchase of the subject condominium unit, the same was being leased by respondent from the original owners; the period of lease was from April 1, 2002 to March 1, 2003; petitioners respected the contract of lease between respondent and the original owners; however, since June 2002 up to the time of the filing of the complaint for ejectment, respondent neither remitted nor consigned the monthly rentals due to petitioners for her continued use of the condominium unit; the rental arrears amounted to a total of ₱2,130,000.00; petitioners sent a letter of demand to respondent requiring that she, together with any and all persons using the said unit with her approval, vacate the premises and pay her arrears; respondent ignored petitioners' demand letter; petitioners tried to settle the case amicably but no agreement was reached.

In her Answer with Compulsory Counterclaims,⁸ respondent countered that: she, indeed, entered into a contract of lease with the original owners of the disputed condominium unit which was to commence on April 1, 2002 and would end on March 1, 2003; sometime in June 2002, she decided to purchase the unit; however, since she was then undergoing proceedings to annul her previous marriage and thinking that her purchase of the subject property would disrupt the property arrangements already agreed upon, she thought it best not to have the condominium unit registered yet in her name; instead, she requested Armando Trinidad, who was her confidante, to purchase the unit and register it under his name with the understanding that the said property would actually be owned by respondent; Armando agreed without objection, which led to the execution of the Deed of Assignment and Transfer of Rights in his name; payments for the purchase price were made by respondent through cash and checks paid to the original owners who acknowledged said payments; aside from paying the purchase price, respondent also paid the real property taxes due on the condominium

⁴ CA *rollo*, pp. 187-191.

⁵ *Id.* at 246-262.

⁶ *Id.* at 199-202.

⁷ *Id.* at 204-206.

⁸ *Id.* at 216-223.

unit as well as the association dues, water bills, common area real estate tax, building insurance and other charges billed by the developer; having full trust in Armando, coupled with her hectic schedule, respondent did not bother to transfer ownership of the subject unit in her name; since April 2002 up to the time of filing her Answer, respondent has been in open and public possession of the subject property; in 2007, while respondent was out of the country, Armando, without respondent's knowledge, annotated his claim on the condominium certificate of title; he also executed a Deed of Absolute Sale in his favor on July 13, 2007; as a result, respondent was surprised to receive a copy of petitioners' demand letter and complaint.

On August 8, 2008, the MeTC of Pasig City, Branch 70, rendered its Decision⁹ dismissing petitioners' complaint and ordering them to pay respondent the amount of ₱250,000.00 as attorney's fees and cost of suit.

The MeTC found that respondent is the true owner of the subject property and that the true intention of the parties is for Armando to hold the condominium unit in behalf of respondent until the property could be placed in the latter's name.

Petitioners filed an appeal with the RTC of Pasig City.

On June 19, 2009, the RTC of Pasig City, Branch 155, rendered its Decision which reversed the MeTC Decision. The dispositive portion of the RTC judgment reads, thus:

WHEREFORE, premises considered, the Decision dated August 8, 2008 rendered by the Metropolitan Trial Court, Branch 70, Pasig City is hereby ordered **REVERSED** and **SET ASIDE** and a **new one ENTERED** ordering the defendant-appellee [herein respondent] and all persons claiming rights under her to vacate Unit 2203, AIC Gold Tower, Emerald Avenue, Ortigas Center, Pasig City and to pay rental arrearages from July 13, 2007, at the rate of ₱30,000.00 per month, until such arrearages shall have been fully paid and the premises vacated and possession thereof restored to plaintiffs-appellants.

SO ORDERED.¹⁰

The RTC held that, by preponderance of evidence, the question of ownership is resolved in favor of petitioners. The RTC held that the subject Deed of Assignment and Transfer of Rights and the Deed of Absolute Sale in

⁹ Penned by Judge Marina Gaerlan-Mejorada; Annex "A" to Petition, *rollo*, pp. 33-42.

¹⁰ *Id.* at 47. (Emphasis in the original)

the name of Armando is superior to the evidence presented by respondent, which merely consisted of bills of payments of association dues, utility bills, real estate tax on the common areas and building insurance.

Aggrieved by the RTC Decision, respondent filed a petition for review with the CA.

On December 22, 2010, the CA promulgated its assailed Decision setting aside the RTC judgment and ordering petitioners to return possession of the subject condominium unit to respondent.

The CA ratiocinated that, based on the evidence adduced by the parties, respondent's claim of ownership deserves more credence. The CA ruled that records of payment of the purchase price of the subject property, through respondent's personal checks, acknowledgment of these payments by the former owners by way of receipt and affidavit, and respondent's exercise of acts of ownership prove that she is the owner of the disputed condominium unit and, thus, is entitled to the possession thereof.

Petitioners filed a Motion for Reconsideration,¹¹ but the CA denied it in its Resolution dated June 23, 2011.

Hence, the instant petition for review on *certiorari*, raising the following issues, to wit:

Do the pieces of evidence shown by the Respondent suffice to provisionally declare her as owner of the subject condominium unit?¹²

Does the evidence of the Respondent suffice to make an impression that it was the Respondent who paid the consideration for the Deed of Assignment and Transfer of Rights?¹³

[Was there] an implied trust?¹⁴

The petition should be denied.

At the outset, the Court notes that both parties anchor their right to possess the disputed property on their supposed ownership of the same.

¹¹ CA *rollo*, pp. 510-523.

¹² *Rollo*, p. 13.

¹³ *Id.* at 18.

¹⁴ *Id.* at 21.

Thus, the courts are left with no recourse but to resolve the issue of ownership for the sole purpose of determining as to who between the parties is entitled to possess the subject condominium unit. However, as held by the CA, where the issue of ownership is inseparably linked to that of possession, adjudication of the ownership issue is not final and binding, but only for the purpose of resolving the issue of possession.¹⁵ The adjudication of the issue of ownership is only provisional, and not a bar to an action between the same parties involving title to the property.¹⁶

The resolution of the issue of ownership, however, would entail going into factual matters. Settled is the rule that questions of fact are not reviewable in petitions for review on *certiorari* under Rule 45 of the Rules of Court.¹⁷ Section 1 of Rule 45 states that petitions for review on *certiorari* shall raise only questions of law which must be distinctly set forth. Doubtless, in the instant case, the issue of whether respondent possesses the subject property as owner, or whether she occupies the same as a lessee, is a question of fact. Thus, as a rule, it is not reviewable.

Nonetheless, the Court has, at times, allowed exceptions from the abovementioned restriction. Among the recognized exceptions are the following:

- (a) When the findings are grounded entirely on speculation, surmises, or conjectures;
- (b) When the inference made is manifestly mistaken, absurd, or impossible;
- (c) When there is grave abuse of discretion;
- (d) When the judgment is based on a misapprehension of facts;
- (e) When the findings of facts are conflicting;
- (f) When in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee;
- (g) When the CA's findings are contrary to those of the trial court;
- (h) When the findings are conclusions without citation of specific evidence on which they are based;
- (i) When the facts set forth in the petition as well as in the petitioners main and reply briefs are not disputed by the respondent;
- (j) When the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and
- (k) When the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.¹⁸

¹⁵ *Corpuz v. Spouses Agustin*, 679 Phil. 352, 360 (2012).

¹⁶ *Id.* at 360-361.

¹⁷ *Abalos, et al. v. Heirs of Vicente Torio*, 678 Phil. 691, 699 (2011).

¹⁸ *Angeles v. Pascual, et al.*, 673 Phil. 499, 506 (2011).

In the present case, the findings of fact of the MeTC and the CA are in conflict with those of the RTC. It thus behooves this Court to look into the factual findings of the lower courts to determine the nature of respondent's possession of the disputed property.

After a careful review of the records at hand, the Court finds that the petition must fail as it finds no error in the findings of fact and conclusions of law of the CA and the MeTC that respondent is, indeed, entitled to the possession of the subject property.

As earlier stated, petitioners relied heavily on the Deed of Assignment and Transfer of Rights as well as the Deed of Absolute Sale, which were executed in Armando's favor, to prove their ownership of the subject property. Having been notarized, they contend that these documents outweigh all the pieces of evidence presented by respondent.

The Court is not persuaded.

It is true that the subject Deed of Assignment and Transfer of Rights and Deed of Absolute Sale are notarized. It is well settled that a document acknowledged before a notary public is a public document that enjoys the presumption of regularity.¹⁹ It is a *prima facie* evidence of the truth of the facts stated therein and a conclusive presumption of its existence and due execution.²⁰ However, the CA correctly held that the existence and due execution of these documents are not in issue. Moreover, the presumption of truth of the facts stated in notarized documents is merely *prima facie*, which means that this presumption can be overcome by clear and convincing evidence.²¹ Hence, the truth of the facts stated in the disputed Deed of Assignment and Transfer of Rights as well as the Deed of Absolute Sale may be rebutted by evidence.

In the present case, what is being asserted by respondent is that the above documents do not embody the true intent and agreement of the parties. To this end, respondent submitted sufficient proof to refute the contents of the aforementioned documents and to establish the real intent of the parties, to wit: (1) nine [9] checks drawn from the personal account of respondent, variously dated from October 11, 2002 to June 11, 2003, each of which

¹⁹ *Ocampo, et al. v. Land Bank of the Philippines, Urdaneta, Pangasinan Branch, et al.*, 609 Phil. 337, 348 (2009).

²⁰ *Id.*

²¹ *Tamani, et al. v. Salvador, et al.*, 662 Phil. 495, 513 (2011); *Chua v. Westmont Bank, et al.*, 683 Phil. 56, 66 (2012).

amounts to ₱416,666.67 and paid to the order of Amarnath Hinduja;²² (2) Acknowledgment Receipt recognizing the various payments made by respondent to the former owners of the subject property;²³ (3) Real Property Tax Receipts evidencing respondent's payment of the real estate taxes due on the property;²⁴ (4) Certification issued by AIC Golden Tower Condominium acknowledging respondent's regular payment of association dues, water bills, common area real estate tax, building insurance and other charges billed by AIC;²⁵ (5) Affidavit executed by the former owners acknowledging the supposed agreement of the parties that the condominium unit shall be purchased in the name of Armando with the understanding that he will hold it in behalf of respondent until the same could be placed in her name.²⁶

The MeTC and the CA were one in holding that the foregoing pieces of evidence submitted by respondent, coupled with the surrounding circumstances in this case, are sufficient to overcome the *prima facie* presumption of the truth of the facts stated in the questioned Deed of Assignment and Transfer of Rights and Deed of Absolute Sale. The Court agrees.

Indeed, petitioners failed to offer any credible explanation why payments of the purchase price were made by respondent by using her personal checks if she is not, in fact, the buyer of the property. Neither was there any justification why respondent paid the real property taxes due on the property, as well as the utility bills, association dues, common area real estate tax and building insurance. More importantly, petitioners also fell short in advancing a plausible refutation why the former owners would execute an affidavit indicating therein that the agreement among the parties is that the subject property shall be purchased in the name of Armando with the understanding between the latter and respondent that Armando would hold the property in respondent's behalf until it will be placed in her name, thus exposing themselves to possible perjury charges, if such agreement is not really true.

In addition, if petitioners are the real owners of the subject condominium unit, why did they wait until February 19, 2007,²⁷ or almost four (4) years after the supposed expiration of respondent's lease contract, to demand that she vacate the disputed premises and pay rentals. Moreover, as the MeTC has noted, it was only in 2007 that Armando annotated his claim

²² CA *rollo*, pp. 141-149.

²³ *Id.* at 150.

²⁴ *Id.* at 151-153.

²⁵ *Id.* at 154.

²⁶ *Id.* at 158-159.

²⁷ See Letter of Demand, *id.* at 213.

on the condominium certificate of title, executed the subject Deed of Absolute Sale and requested certification of his ownership from the developer.

Petitioners argue that under the Parole Evidence Rule, when the terms of an agreement have been reduced to writing, it is considered as containing all the terms agreed upon and there can be, as between the parties, no evidence of such terms other than the contents of the written agreement.²⁸ Based on this rule, petitioners contend that since the former owners, as well as respondent, are all parties to the Deed of Assignment and Transfer of Rights, they are bound by the said Deed and they cannot allege terms which are not found within the said agreement.

The Court is not convinced.

The fact that the Deed of Assignment and Transfer of Rights was put in writing and notarized does not accord it the quality of incontrovertibility otherwise provided by the Parole Evidence Rule.²⁹ The rule on parole evidence is not, as it were, ironclad. Thus, the second paragraph of Section 9, Rule 130 of the Rules of Court provides the exceptions, to wit:

Section 9. *Evidence of written agreements.* – x x x

However, a party may present evidence to modify, explain or add to the terms of written agreement if he puts in issue in his pleading:

(a) An intrinsic ambiguity, mistake or imperfection in the written agreement;

(b) The failure of the written agreement to express the true intent and agreement of the parties thereto;

(c) The validity of the written agreement; or

(d) The existence of other terms agreed to by the parties or their successors in interest after the execution of the written agreement.

The term "agreement" includes wills.³⁰

As observed by the CA, respondent squarely put in issue in her Answer³¹ that the Deed of Assignment and Transfer of Rights did not express the true intent of the parties. Hence, the exception applies.

²⁸ See Rules of Court, Rule 130, Sec. 9, par. 1.

²⁹ *Rebusquillo v. Gualvez*, G.R. No. 204009, June 4, 2014, 725 SCRA 259, 270.

³⁰ Emphasis supplied.

³¹ CA *rollo*, pp. 216-217; 220.

The Court is neither convinced by petitioners' argument that when they bought the subject property from its former owners, they stepped into the shoes of the latter who were the lessors of respondent and that, as lessee, respondent is barred from contesting the title of her lessor or her lessor's successor-in-interest, who are herein petitioners.

Article 1436 of the Civil Code provides that “[a] lessee or bailee is estopped from asserting title to the thing leased or received, as against the lessor or bailor.” In addition, the conclusive presumption found in Section 2(b), Rule 131 of the Rules of Court known as *estoppel* against tenants provides as follows:

Sec. 2. *Conclusive presumptions.* – The following are instances of conclusive presumptions:

x x x x

(b) The tenant is not permitted to deny the title of his landlord at the time of the commencement of the relation of landlord and tenant between them.

It is clear from the above-quoted provision that what a tenant is estopped from denying is the title of his landlord at the time of the commencement of the landlord-tenant relation.³² If the title asserted is one that is alleged to have been acquired subsequent to the commencement of that relation, the presumption will not apply.³³ Hence, the tenant may show that the landlord's title has expired or been conveyed to another or himself; and he is not estopped to deny a claim for rent, if he has been ousted or evicted by title paramount.³⁴ In the present case, what respondent is claiming is her title to the subject property which she acquired subsequent to the commencement of the landlord-tenant relation between her and the former owners of the questioned condominium unit. Thus, the presumption under Section 2 (b), Rule 131 of the Rules of Court does not apply and respondent is not estopped from asserting title over the disputed property.

As to whether or not an implied trust was created in respondent's favor, the first sentence of Article 1448 of the Civil Code provides that “[t]here 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.” This is sometimes referred to

³² *Ermitaño v. Paglas*, G.R. No. 174436, January 23, 2013, 689 SCRA 158, 167, citing *Santos v. National Statistics Office*, 662 Phil. 708, 721 (2011).

³³ *Id.*

³⁴ *Id.* at 721-722.

as a purchase money resulting trust, the elements of which are: (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.³⁵ The principle of a resulting trust is based on the equitable doctrine that valuable consideration, and not legal title, determines the equitable title or interest and are presumed always to have been contemplated by the parties.³⁶ They arise from the nature or circumstances of the consideration involved in a transaction whereby one person thereby becomes invested with legal title but is obligated in equity to hold his legal title for the benefit of another.³⁷

Intention – although only presumed, implied or supposed by law from the nature of the transaction or from the facts and circumstances accompanying the transaction, particularly the source of the consideration – is always an element of a resulting trust and may be inferred from the acts or conduct of the parties rather than from direct expression of conduct.³⁸ Certainly, intent as an indispensable element, is a matter that necessarily lies in the evidence, that is, by evidence, even circumstantial, of statements made by the parties at or before the time title passes.³⁹ Because an implied trust is neither dependent upon an express agreement nor required to be evidenced by writing, Article 1457 of our Civil Code authorizes the admission of parole evidence to prove their existence.⁴⁰ Parole evidence that is required to establish the existence of an implied trust necessarily has to be trustworthy and it cannot rest on loose, equivocal or indefinite declarations.⁴¹ In the instant petition, the Court finds no cogent reason to depart from the findings of the MeTC and the CA that, under the circumstances of the case, the parole evidence presented by respondent sufficiently proves that an implied trust was created in her favor.

Finally, a trust, which derives its strength from the confidence one reposes on another, does not lose that character simply because of what appears in a legal document.⁴² Applying this principle to the present case, petitioner Armando, as trustee, cannot repudiate the trust by simply relying on the questioned Deed of Assignment and Transfer of Rights and the Deed of Absolute Sale.

³⁵ *Tong v. Go Tiat Kun*, G.R. No. 196023, April 21, 2014, 722 SCRA 623, 635-636.

³⁶ *Id.* at 635.

³⁷ *Id.*

³⁸ *Estate of Margarita D. Cabacungan v. Laigo, et al.*, 671 Phil 132, 149 (2011).

³⁹ *Id.* at 149-150.

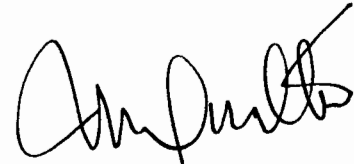
⁴⁰ *Id.* at 150.

⁴¹ *Id.*

⁴² *Tong v. Go Tiat Kun*, *supra* note 35, at 636.

WHEREFORE, the instant petition is **DENIED**. The Decision and Resolution of the Court of Appeals, dated December 22, 2010 and June 23, 2011, respectively, in CA-G.R. SP No. 110357, are **AFFIRMED**.


SO ORDERED.




DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



MARTIN S. VILLARAMA, JR.
Associate Justice



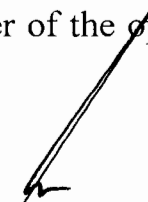
JOSE PORTUGAL PEREZ
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

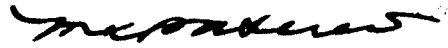
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice