

SECOND DIVISION

[G.R. No. 241774, September 25, 2019]

FRANCISCO C. DELGADO, REPRESENTED BY JOSE MARI DELGADO, PETITIONER, VS. GQ REALTY DEVELOPMENT CORP., MA. ROSARIO G. MEYER, KARL KURT EDWARD MEYER, AND THE REGISTRY OF DEEDS OF MAKATI CITY, RESPONDENTS.

DECISION

CAGUIOA, J:

Before the Court is an appeal *via* a Petition for Review on *Certiorari*^[1] (Petition) under Rule 45 of the Rules of Court filed by petitioner Francisco C. Delgado (petitioner Francisco), represented by his son, petitioner Jose Mari Delgado (petitioner Jose Mari), assailing the Decision^[2] dated March 22, 2018 (assailed Decision) and Resolution^[3] dated July 24, 2018 (assailed Resolution) of the Court of Appeals (CA) in CA-G.R. CV No. 106413.

The Facts and Antecedent Proceedings

As narrated by the CA in the recital of facts of the assailed Decision, the essential facts and antecedent proceedings of the instant case are as follows:

Petitioner Francisco's Version of the Facts

Petitioner Francisco was married to Carmencita Chuidian-Delgado (Carmencita). During the time of their marriage, the couple produced five children: Ricardo Delgado, Francisco Delgado III, Isabel Delgado, Ana Maria Delgado, and petitioner Jose Mari. On January 15, 1983, Carmencita passed away.

Subsequently, petitioner Francisco met Victoria Quirino Gonzales (Victoria), the daughter of former President Elpidio R. Quirino and Doña Alicia Syquia-Quirino. Despite their advanced age, the two took another shot at love and entered into a special relationship.

In their time together, petitioner Francisco learned that Victoria was formerly married to Luis Gonzales (Luis), who passed away in 1984. Luis and Victoria produced four children: respondent Rosario Gonzales-Meyer (respondent Rosario), Ma. Victoria Gonzales, Ma. Luisa Gonzales, and Luis Gonzales. Together with her children with Luis, Victoria started a corporation, *i.e.*, respondent GQ Realty Development Corporation (respondent GQ Realty).

Petitioner Francisco alleged that despite respondent GQ Realty's decent capitalization, the same would not be enough for respondent GQ Realty to successfully engage in the realty business. Hence, petitioner Francisco offered to

help Victoria by supposedly buying real properties using his own money, but the naked title would be named after respondent GQ Realty. Petitioner Francisco explained to Victoria that it was for the purpose of showing potential investors that respondent GQ Realty had sufficient assets and capital.

Victoria supposedly agreed and suggested that petitioner Francisco buy a condominium apartment, specifically addressed at Unit 12-C, Urdaneta Apartments Condominium, 6735 Ayala Avenue, Makati City (subject property). Petitioner Francisco heeded Victoria's suggestion and purchased the subject property. Condominium Certificate of Title (CCT) No. 9159^[4] was thereafter issued in the name of respondent GQ Realty.

Allegedly, petitioner Francisco lived in the subject property even if the CCT was issued in the name of respondent GQ Realty.

On June 20, 1987, petitioner Francisco (then at the age of 76) and Victoria (then at the age of 56) got married. After almost 20 years of marriage, Victoria passed away on November 29, 2006 in Amsterdam, the Netherlands.^[5]

Following Victoria's death, petitioner Francisco learned that Victoria's children with Luis distributed among themselves the properties held in trust by Victoria's corporations, including respondent GQ Realty. Petitioner Francisco discovered that the subject property was transferred from respondent GQ Realty to respondent Rosario.^[6]

The Respondents' Version of the Facts

On their part, the respondents alleged that respondent GQ Realty was a family corporation established in 1984 after the death of Victoria's former husband, Luis, for the sole purpose of holding Victoria's properties. As alleged by the respondents, it was not intended to invite or allow investors to become a part of the corporation. Neither did it need additional capital.

Victoria was previously married to Luis, the former Philippine Ambassador to Spain. Luis was the son of the wealthy Don Manuel Gonzales of Pangasinan and Doña Paz Tuason of Marikina. The alleged wealth and landholdings of the Gonzales', Tuasons, and Syquias are known, but not flaunted. Victoria and Luis lived a privileged life among Philippine society's elite. They were among the first families who lived in Forbes Park since 1956.

After the death of Luis in 1984, Victoria left their home in Forbes Park and transferred to Unit 12-B of the Urdaneta Apartments Condominium (Unit 12-B), which is the unit beside the subject property. Since Luis left Victoria financially comfortable, she managed to live from her and her husband's assets without having to engage in any business or profession. She was able to maintain the lifestyle she was accustomed to.^[7]

According to the Amended Answer,^[8] respondent Rosario, one of the daughters of Victoria and Luis, became a paraplegic due to a vehicular accident. She lived in Baguio and commuted between Baguio and Manila to visit Victoria. Hence, Victoria decided that it was best for respondent Rosario to permanently move back to

Manila. For this purpose, using her own funds, Victoria decided to buy for respondent Rosario the apartment beside Unit 12- B, *i.e.*, the subject property. The purchase was made on April 27, 1987. However, after realizing that the subject property was not wheelchair-friendly or convenient for a paraplegic, Victoria swapped apartments and took for herself the subject property, while respondent Rosario became the owner of Unit 12-B.^[9]

Meanwhile, Victoria was being courted by petitioner Francisco. Allegedly, it took petitioner Francisco two years to convince Victoria to marry him.^[10]

Before Victoria and petitioner Francisco's marriage on June 20, 1987, the two executed an **Ante-Nuptial Agreement^[11] dated June 15, 1987** (Ante-Nuptial Agreement), which states, among other stipulations, that their properties would be governed by complete separation of properties. The Ante-Nuptial Agreement was allegedly drafted by petitioner Francisco's own counsel, Romulo Mabanta Law Offices.^[12]

After Victoria and petitioner Francisco's wedding, the latter moved in with Victoria at the subject property as Victoria felt more comfortable living there than in petitioner Francisco's house.^[13]

Respondent Rosario averred that they maintained a close, happy, and harmonious relationship with petitioner Francisco because they accepted him as their step-father. However, when Victoria fell ill, she started to transfer or assign her properties to her children with Luis to ensure that the latter would receive her assets. Victoria allegedly decided to transfer the subject property to respondent Rosario.

Respondent Rosario contended that since 1998, she had been paying the real estate taxes due on the subject property. She was also able to mortgage the same with the Bank of the Philippine Islands (BPI) in 2000 through respondent GQ Realty. Petitioner Francisco was allegedly aware of these as he was only paying for the monthly dues, assessments, and utilities of the condominium.^[14]

After the death of Victoria in 2006, the children of petitioner Francisco and the children of Victoria started falling apart and the former allegedly started filing cases against the latter. It was further alleged by the respondents that since the death of Victoria, respondent Rosario and her siblings were prohibited to enter the subject property.^[15]

Complaint for Reconveyance, Declaration of Nullity of Sale, and Damages

Several months after the death of Victoria, on July 12, 2007, petitioner Francisco, through petitioner Jose Mari, filed a Verified Complaint for Reconveyance, Declaration of Nullity of Sale, and Damages^[16] (Complaint) against the respondents before the Regional Trial Court of Makati City, Branch 139 (RTC). The case was docketed as Civil Case No. 07-623. In sum, petitioner Francisco asserted his right over the subject property based on *implied trust*. According to petitioner Francisco,

the subject property was actually purchased by him using his own funds and the said property was registered in the name of respondent GQ Realty for the sole purpose of aiding Victoria attract potential investors in the company. He alleged that it was the intention of the parties that the subject property was to be held by respondent GQ Realty merely in the concept of an implied trust for the benefit of petitioner Francisco.

On August 8, 2007, petitioner Francisco filed an Amended Complaint.^[17] On September 4, 2007, the respondents filed their Answer with Counterclaims.^[18] On September 24, 2007, the respondents filed their Amended Answer with Counterclaims.^[19]

The respondents then filed a Motion for Preliminary Hearing on Affirmative Defenses^[20] dated August 11, 2009, wherein they argued that petitioner Francisco's claim had already been deemed waived, abandoned, or otherwise extinguished by virtue of the Ante-Nuptial Agreement executed by petitioner Francisco and Victoria. It was argued that in the said document, petitioner Francisco acknowledged and declared that all the properties of the parties would be respectively owned by each of them and that neither of them would have an interest over the properties of the other. More so, the respondents argued that the Complaint had already prescribed since 20 years have already passed from the time the subject property was acquired by respondent GQ Realty. Petitioner Francisco opposed the said Motion.^[21]

On January 26, 2012, the RTC issued an Order granting the Motion for Preliminary Hearing on Affirmative Defenses.^[22]

***The RTC's
Order
dismissing
the
Complaint
based on the
respondents'
affirmative
defenses***

After due proceedings, the RTC issued an Order^[23] dated January 29, 2014 dismissing the Complaint based on the affirmative defenses raised by the respondents in their Amended Answer, *i.e.*, prescription and waiver, abandonment, and extinguishment.

The pertinent portion of the said Order reads:

Delving on the affirmative defense of prescription, it appears that the subject property was acquired by and registered in the name of defendant GQ on April 27, 1987 as evidenced by the Condominium Certificate of Title ("CCT") No. 9159 (Exhibit "B"). The present action for reconveyance based on implied trust, however, was filed only on July 12, 2007, that is, more than twenty (20) years from the registration of the title covering the subject property in the name of defendant GQ. It is, therefore, clear as day that the present action is already time barred.

x x x x

Similarly, the Court finds merit on the affirmative defense that the claim or demand of the plaintiff has been waived, abandoned, or otherwise extinguished, as shown by the Ante-Nuptial Agreement dated June 15, 1987 (Exhibit "A"), executed by and between plaintiff FCD and his spouse, Victoria Quirino Delgado ("VQD"), mother of defendant MRQG ("Gonzales"). In the said Ante-Nuptial Agreement, plaintiff expressly agreed, among others, that all the properties, past[,] present and future of VQD, shall remain "her own absolute property subject to her sole disposition, administration and enjoyment," and that plaintiff "FCD shall not acquire any interest directly or indirectly over the properties of VQD". As such, plaintiffs claim or demand under the instant case has already been waived, abandoned, or otherwise extinguished by virtue of the said Ante-Nuptial Agreement.

x x x x

WHEREFORE, premises considered, the instant Civil Case is hereby **DISMISSED** based on the affirmative defenses of prescription and that the claim or demand of the plaintiff has been waived[,] abandoned, or otherwise extinguished, which were raised by the defendants in their Amended Answer.

x x x x

SO ORDERED.^[24]

On April 4, 2014, petitioner Francisco filed a Motion for Reconsideration,^[25] which was denied by the RTC in its Order^[26] dated January 20, 2016 for lack of merit.

On February 16, 2016, petitioner Francisco appealed before the CA.^[27]

The Ruling of the CA

In the assailed Decision,^[28] the CA denied petitioner Francisco's appeal.

The assailed Decision delved into two issues: (1) the RTC's ruling that the Complaint for reconveyance based on implied trust had already prescribed; and (2) the RTC's ruling that petitioner Francisco's claim had already been waived, abandoned, or otherwise extinguished.

On the first issue, the CA held that the RTC was incorrect in holding that the Complaint had already prescribed. Citing *Sps. Yu Hwa Ping and Mary Gaw v. Ayala Land, Inc.*,^[29] the CA explained that while an action for reconveyance based on an implied or constructive trust prescribes after 10 years from the date the adverse party repudiates the implied trust, it is imprescriptible if the movant is in the actual, continuous and peaceful possession of the property involved. It is an undisputed fact that the movant, petitioner Francisco, was still in the actual and continuous possession of the subject property prior to his death.