

FIRST DIVISION

[G.R. No. 160488, September 03, 2004]

FELOMINA^[1] ABELLANA, PETITIONER, VS. SPOUSES ROMEO PONCE AND LUCILA PONCE AND THE REGISTER OF DEEDS OF BUTUAN CITY, RESPONDENTS.

DECISION

YNARES-SANTIAGO, J.:

This is a petition for review on certiorari assailing the June 16, 2003 decision^[2] of the Court of Appeals in CA-G.R. CV No. 69213, which reversed and set aside the August 28, 2000 decision^[3] of the Regional Trial Court of Butuan City, Branch 2, in Civil Case No. 4270.

The facts as testified to by petitioner Felomina Abellana are as follows:

On July 15, 1981, Felomina, a spinster, pharmacist and aunt of private respondent Lucila Ponce, purchased from the late Estela Caldoza-Pacres a 44,297^[4] square meter agricultural lot^[5] with the intention of giving said lot to her niece, Lucila. Thus, in the deed of sale,^[6] the latter was designated as the buyer of Lot 3, Pcs-10-000198, covered by Original Certificate of Title No. P-27, Homestead Patent No. V-1551 and located at Los Angeles, Butuan City.^[7] The total consideration of the sale was P16,500.00, but only P4,500.00 was stated in the deed upon the request of the seller.^[8]

Subsequently, Felomina applied for the issuance of title in the name of her niece. On April 28, 1992, Transfer Certificate of Title (TCT) No. 2874^[9] over the subject lot was issued in the name of Lucila.^[10] Said title, however, remained in the possession of Felomina who developed the lot through Juanario Torreon^[11] and paid real property taxes thereon.^[12]

The relationship between Felomina and respondent spouses Romeo and Lucila Ponce, however, turned sour. The latter allegedly became disrespectful and ungrateful to the point of hurling her insults and even attempting to hurt her physically. Hence, Felomina filed the instant case for revocation of implied trust to recover legal title over the property.^[13]

Private respondent spouses Lucila, also a pharmacist, and Romeo, a marine engineer, on the other hand, claimed that the purchase price of the lot was only P4,500.00 and that it was them who paid the same. The payment and signing of the deed of sale allegedly took place in the office of Atty. Teodoro Emboy in the presence of the seller and her siblings namely, Aquilino Caldoza and the late Lilia

Caldoza.^[14]

A year later, Juanario approached Lucila and volunteered to till the lot, to which she agreed.^[15] In 1987, the spouses consented to Felomina's proposal to develop and lease the lot. They, however, shouldered the real property taxes on the lot, which was paid through Felomina. In 1990, the spouses demanded rental from Felomina but she refused to pay because her agricultural endeavor was allegedly not profitable.^[16]

When Lucila learned that a certificate of title in her name had already been issued, she confronted Felomina who claimed that she already gave her the title. Thinking that she might have misplaced the title, Lucila executed an affidavit of loss which led to the issuance of another certificate of title in her name.^[17]

On August 28, 2000, the trial court rendered a decision holding that an implied trust existed between Felomina and Lucila, such that the latter is merely holding the lot for the benefit of the former. It thus ordered the conveyance of the subject lot in favor of Felomina. The dispositive portion thereof, reads:

IN VIEW OF THE FOREGOING, judgment is hereby rendered declaring, directing and ordering that:

- a) An implied trust was created with plaintiff as trustor and private defendant Lucila A. Ponce married to private defendant Engr. Romeo D. Ponce as trustee pursuant to Article 1448 of the New Civil Code;
- b) The implied trust, having been created without the consent of the trustee and without any condition, is revoked;
- c) The private defendants, who are spouses, execute the necessary deed of conveyance in favor of the plaintiff of the land, covered by and embraced in TCT NO. T-2874, in controversy and in the event private defendants refuse to execute the deed of conveyance, the public defendant City Register of Deeds of Butuan to cancel TCT No. T-2874 and issue a new one in lieu thereof in the name of the plaintiff;
- d) The private defendants spouses to pay jointly and severally plaintiff the sum of PhP25,000.00 as attorney's fees and PhP4,000.00 as expenses of litigation;
- e) The dismissal of the counterclaim of private defendants spouses[;] and
- f) The private defendants to pay the costs.

SO ORDERED.^[18]

Private respondent spouses appealed to the Court of Appeals which set aside the decision of the trial court ruling that Felomina failed to prove the existence of an implied trust and upheld respondent spouses' ownership over the litigated lot. The appellate court further held that even assuming that Felomina paid the purchase price of the lot, the situation falls within the exception stated in Article 1448 of the Civil Code which raises a disputable presumption that the property was purchased by Felomina as a gift to Lucila whom she considered as her own daughter. The decretal portion thereof, states –

WHEREFORE, premises considered, the appealed decision of the Regional Trial Court, Branch 2, Butuan City, in Civil Case No. 4270, is hereby REVERSED AND SET ASIDE. A new one is heretofore rendered dismissing the complaint below of plaintiff-appellee, F[e]lolina Abellana.

SO ORDERED.^[19]

Felolina filed a motion for reconsideration but the same was denied.^[20] Hence, the instant petition.

The issue before us is: Who, as between Felolina and respondent spouses, is the lawful owner of the controverted lot? To resolve this issue, it is necessary to determine who paid the purchase price of the lot.

After a thorough examination of the records and transcript of stenographic notes, we find that it was Felolina and not Lucila who truly purchased the questioned lot from Estela. The positive and consistent testimony of Felolina alone, that she was the real vendee of the lot, is credible to debunk the contrary claim of respondent spouses. Indeed, the lone testimony of a witness, if credible, is sufficient as in the present case.^[21] Moreover, Aquilino Caldoza, brother of the vendor and one of the witnesses^[22] to the deed of sale, categorically declared that Felolina was the buyer and the one who paid the purchase price to her sister, Estela.^[23]

Then too, Juanario, who was allegedly hired by Lucila to develop the lot, vehemently denied that he approached and convinced Lucila to let him till the land. According to Juanario, he had never spoken to Lucila about the lot and it was Felolina who recruited him to be the caretaker of the litigated property.^[24]

The fact that it was Felolina who bought the lot was further bolstered by her possession of the following documents from the time of their issuance up to the present, to wit: (1) the transfer certificate of title^[25] and tax declaration in the name of Lucila,^[26] (2) the receipts of real property taxes in the name of Felolina Abellana for the years 1982-1984, 1992-1994 and 1995;^[27] and (3) the survey plan of the lot.^[28]

Having determined that it was Felolina who paid the purchase price of the subject lot, the next question to resolve is the nature of the transaction between her and Lucila.

It appears that Felolina, being of advanced age^[29] with no family of her own, used to purchase properties and afterwards give them to her nieces. In fact, aside from the lot she bought for Lucila (marked as Exhibit "R-2"), she also purchased 2 lots, one from Aquilino Caldoza (marked as Exhibit "R-1") and the other from Domiciano Caldoza (marked as Exhibit "R-3"), which she gave to Zaida Bascones (sister of Lucila), thus:

Q I am showing to you again Exhibit R, according to you[,]
you bought Exhibits R-1, R-2 and R-3, do you remember
that?

A Yes sir.

x x x

x x x

x x x

Q Aquilin[o] Caldoza conveyed this land in Exhibit R-1 to you?

A Yes, sir.

Q Is this now titled in your name?

A No. I was planning to give this land to my nieces. One of which [was] already given to Mrs. [Lucila] Ponce.

Q I am talking only about this lot in Exhibit R-1[.]

A Not in my name.

Q In whose name was this lot in Exhibit R-1 now?

A In the name of Zaida Bascones.

Q Who prepared the deed of sale?

A At the start it was in the name of Rudy [Torreon].^[30] Because Rudy [Torreon] knew that there is some trouble already about that lot he made a deed of sale to the name of Zaida Bascones, which I planned to give that land to her (sic).

Q As regards Exhibit R-1, you bought it actually?

A Yes, sir.

Q But the ... original deed of sale was in the name of Rudolfo [Torreon]?

A Yes, sir.

Q And later on Rudolfo [Torreon] again transferred it to Zaida Bascones?

A Yes, sir.^[31]

Likewise, in the case of Lucila, though it was Felomina who paid for the lot, she had Lucila designated in the deed as the vendee thereof and had the title of the lot issued in Lucila's name. It is clear therefore that Felomina donated the land to Lucila. This is evident from her declarations, viz:

Witness

A In 1981 there was a riceland offered **so I told her that I will buy that land and I will give to her** later (sic), because since 1981 up to 1992 Mrs. Lucila Ponce has no job.

Q Where is the land located?

A In Los Angeles, Butuan City.

Q Who was the owner of this land?

A The owner of that land is Mrs. Estela Caldoza-Pacr[e]s. The husband is Pacr[e]s.

x x x

x x x

x x x

- Q What did you do with this land belonging to Mrs. Estela-Caldoza- Pacr[e]s?
- A I paid the lot, then worked the lot, since at the start of my buying the lot until now (*sic*).
- Q **You said that you told Lucila Ponce that you would give the land to her later on, what did you do in connection with this intention of yours to give the land to her?**
- A **So I put the name of the title in her name in good faith (*sic*).**
- Q You mean to tell the court that when you purchased this land located at Los Angeles, Butuan City, the instrument of sale or the deed of sale was in the name of Lucila Ponce?
- A Yes, sir.^[32]

x x x

x x x

x x x

- Q Did you not ask your adviser Rudolfo [Torreon] whether it was wise for you to place the property in the name of Lucila Ponce when you are the one who is the owner?
- A **Because we have really the intention to give it to her.**^[33]

Generally, contracts are obligatory in whatever form they may have been entered into, provided all the essential requisites for their validity are present. When, however, the law requires that a contract be in some form in order that it may be valid, that requirement is absolute and indispensable. Its non-observance renders the contract void and of no effect.^[34] Thus, under Article 749 of the Civil Code –

Article 749. In order that the donation of an immovable property 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.

In the instant case, what transpired between Felomina and Lucila was a donation of an immovable property which was not embodied in a public instrument as required by the foregoing article. Being an oral donation, the transaction was void.^[35] Moreover, even if Felomina enjoyed the fruits of the land with the intention of giving effect to the donation after her demise, the conveyance is still a void donation *mortis causa*, for non-compliance with the formalities of a will.^[36] No valid title passed regardless of the intention of Felomina to donate the property to Lucila, because the naked intent to convey without the required solemnities does not