

THIRD DIVISION

[G.R. No. 110115, October 08, 1997]

**RODOLFO TIGNO AND SPOUSES EDUALINO AND EVELYN
CASIPIT, PETITIONERS, VS. COURT OF APPEALS AND EDUARDO
TIGNO, RESPONDENTS.
D E C I S I O N**

PANGANIBAN, J.:

In denying this petition, the Court takes this occasion to apply the principles of implied trust. As an exception to the general rule barring factual reviews in petitions under Rule 45, the Court wades into the transcript of stenographic notes only to find that the Court of Appeals, indeed, correctly overturned the trial court's findings of facts.

The Case

Petitioners challenge the Decision^[1] of Respondent Court of Appeals^[2] in CA-G.R. CV No. 29781 promulgated on October 15, 1992 and its Resolution^[3] promulgated on May 5, 1993. The dispositive portion of the assailed Decision reads:^[4]

WHEREFORE, in view of the foregoing, the decision appealed from is hereby REVERSED and another one ENTERED as follows:

1. Declaring plaintiff-appellant Eduardo M. Tigno as the true and lawful owner of the lands described in the complaint;
2. Declaring the Deed of Sale executed by defendant-appellee Rodolfo M. Tigno in favor of defendant-appellee spouses Edualino Casipit and Avelina Estrada as null and void and of no effect; and
3. Ordering defendant-appellee Rodolfo M. Tigno to vacate the parcels of land described in the complaint and surrender possession thereof to plaintiff-appellant Eduardo M. Tigno.

With costs against defendants-appellees."

Petitioners' subsequent motion for reconsideration was "denied for lack of merit" in the assailed Resolution.^[5]

The Facts

Respondent Court adequately recited the facts of the case as follows:^[6]

The facts from the standpoint of plaintiff-appellant's (herein private respondent's) evidence are summarized in his brief, to wit:

'Sometime in January, 1980, Bienvenido Sison, Remedios Sison and the heirs of Isaac Sison, namely: Manuel Sison, Gerardo Sison and Adelaida Sison appointed Dominador Cruz as agent to sell three (3) parcels of land adjoining each other located at Padilla St., Lingayen, Pangasinan (TSN, Sept. 5, 1989, pp. 6-8). These parcels of land belonging to the abovenamed persons are more particularly described as follows:

Bienvenido Sison:

'A parcel of fishpond situated at Padilla Street, Lingayen, Pangasinan, with an area of 3006.67 square meters, more or less, bounded on the North by Padilla Street, on the South by Lots 1105, 1106, 1107, 1108, etc., on the East by alley, and on the West by Alejandro Vinluan and Thomas Caldito;' (Exh. B)

Heirs of Isaac Sison (i.e. Manuel, Gerardo and Adelaida Sison)

'A parcel of fishpond, situated at Padilla Street, Lingayen, Pangasinan, with an area of 3006.66 square meters, more or less, bounded on the North by Padilla Street; On the South by Bienvenido Sison, on the East by Alley, and on the West by Mariano Sison;' (Exh. A)

Remedios Sison

'A parcel of unirrigated riceland (now fishpond) situated in Poblacion, Lingayen, Pangasinan, containing an area of 3006.66 square meters, more or less, bounded on the North by Padilla Street; on the East by Path; on the South by Dionisio and Domingo Sison; and on the West by Path;' (Exh. C)

Sometime in April 1980, Rodolfo Tigno learned that the abovedescribed properties were for sale. Accordingly, he approached Cruz and told the latter to offer these parcels of land to his brother, Eduardo Tigno, herein appellant (TSN, Sept. 5, 1989, p. 9).

Pursuant thereto, Cruz and Rodolfo Tigno went to appellant's Makati office to convince the latter to buy the properties earlier described. At first, appellant was reluctant, but upon Rodolfo Tigno's prodding, appellant was finally convinced to buy them (TSN, Sept. 5, 1989, pp. 9-11). In that meeting between Cruz and appellant at the latter's office, it was agreed that each parcel of land would cost Ten Thousand Pesos (P10,000.00) [TSN, Oct. 16, 1989, p. 9].

Having reached an agreement of sale, appellant then instructed Cruz to bring the owners of these parcels of land to his ancestral house at Guilig Street, Lingayen, Pangasinan on May 2, 1980, as he will be there to attend the town fiesta (TSN, Sept. 5, 1989, p. 13).

After leaving appellant's office, Cruz and Rodolfo Tigno went to Manila City Hall to visit the latter's uncle, Epifanio Tigno, who works there. At the Manila City Hall, Cruz and Rodolfo Tigno intimated to Epifanio Tigno that appellant has agreed to buy the 3 parcels of land abovedescribed (TSN, Sept. 5, 1989, p. 19; TSN, Sept. 29, 1989, pp. 8-10).

After leaving Manila City Hall, Cruz and Rodolfo Tigno left for Lingayen, Pangasinan (TSN, Sept. 5, 1989, p. 15).

On May 2, 1980, Cruz, together with Bienvenido Sison, Manuel Sison, Adelaida Sison and Remedios Sison went to appellant's house at Guilig Street, Lingayen, Pangasinan. At around 5:00 o'clock in the afternoon, the abovenamed persons and appellant went to Atty. Modesto Manuel's house at Defensores West Street, Lingayen, Pangasinan for the preparation of the appropriate deeds of sale (TSN, Sept. 5, 1989, pp. 15-17).

At Atty. Manuel's house, it was learned that Bienvenido Sison failed to bring the tax declarations relating to his property. Also, Remedios Sison had mortgaged her property to a certain Mr. Tuliao, which mortgage was then existent. Further, Manuel Sison did not have a Special Power of Attorney from his sister in the United States of America to evidence her consent to the sale. In view thereof, no deed of sale was prepared on that day (TSN, Sept. 5, 1989, pp. 17-19).

However, despite the fact that no deed of sale was prepared by Atty. Manuel, Remedios Sison, Bienvenido Sison and Manuel Sison asked appellant to pay a fifty percent (50%) downpayment for the properties. The latter acceded to the request and gave Five Thousand Pesos (P5,000.00) each to the 3 abovenamed persons for a total of Fifteen Thousand Pesos (P15,000.00) (TSN, Sept. 5, 1989, pp. 19-20). This was witnessed by Cruz and Atty. Manuel. After giving the downpayment, appellant instructed Cruz and Atty. Manuel to place the name of Rodolfo Tigno as 'vendee' in the deeds of sale to be subsequently prepared. This instruction was given to enable Rodolfo Tigno to mortgage these properties at the Philippine National Bank (PNB), Lingayen Branch, for appropriate funds needed for the development of these parcels of land as 'fishponds' (TSN, Sept. 27, 1989, pp. 16-23).

On May 6, 1980, May 12, 1980 and June 12, 1980, the appropriate deeds of sale (Exhs. A, B, C) were finally prepared by Atty. Manuel and signed by Bienvenido Sison, the heirs of Isaac Sison (Manuel, Gerardo and Adelaida Sison), and Remedios Sison, respectively. In all these deeds of sale, Rodolfo Tigno was named as 'vendee' pursuant to the verbal instruction of herein appellant. Cruz, the agent in the sale, signed in these three (3) deeds of sale as a witness (Exhs. A-2, B-1 and C-1).

Sometime in the second week of July 1980, Cruz brought and showed these deeds of sale to appellant in his Makati office. After seeing these documents, appellant gave Cruz a Pacific Bank check in the amount of Twenty Six Thousand Pesos (P26,000.00) representing the following:

- a) P15,000.00 as the balance for the three (3) parcels of land;
- b) P6,000.00 representing Cruz's commission as agent; and
- c) P5,000.00 for capital gains tax, registration and other incidental expense. (TSN,

Sept. 5, 1989, pp. 39-41).

Upon encashment of this check at PNB, Lingayen Branch, Cruz paid Remedios Sison, Manuel Sison and Bienvenido Sison, through Adelaida Sison, the balance due them from appellant (TSN, Sept. 5, 1989, pp. 42-43).

On April 29, 1989, Rodolfo Tigno, without the knowledge and consent of appellant, sold to Spouses Edualino Casipit and Avelina Casipit 508.56 square meters of the land previously owned by Bienvenido Sison (Exh. E). At the time of sale, the Casipits were aware that the portion of the land they bought was owned by appellant, not Rodolfo Tigno (TSN, Oct. 16, 1989, pp. 30-31; TSN, Nov. 6, 1989, p. 10).

On May 16, 1989, appellant learned that Rodolfo Tigno is 'negotiating' a portion of his land to the Casipits. Accordingly, appellant sent a letter (Exh. D) to the Casipits advising them to desist from the intended sale, not knowing that the sale was already consummated as early as April 29, 1989.

A few days thereafter, upon learning that the sale was already consummated, appellant confronted the Casipits and Rodolfo Tigno and asked them to annul the sale, but his request was not heeded (TSN, Oct. 16, 1989, pp. 29-32).' (pp. 12-B to 12-j, rollo)

On May 24, 1989, the plaintiff filed Civil Case No. 16673 for 'Reconveyance, Annulment of Document, Recovery of Possession and Damages' against Rodolfo M. Tigno and defendant spouses Edualino Casipit and Avelina Estrada. The complaint alleged, among others, that plaintiff purchased the three (3) parcels of land in question so that his brother Rodolfo Tigno, who was then jobless, could have a source of income as a caretaker of the fishponds; that plaintiff and Rodolfo agreed that the latter would secure a loan from the Philippine National Bank at Lingayen using said lands as collateral; that considering the busy schedule of plaintiff, then as executive vice-president of an American firm based in Makati, Metro Manila, it was made to appear in the deeds of sale that Rodolfo M. Tigno was the vendee so that the latter could, as he actually did, secure a loan from the PNB without need of plaintiff's signature and personal presence, the loan proceeds to be used as seed capital for the fishponds; that there being trust and confidence as brothers between plaintiff and defendant, the former instructed the Notary Public, who prepared the Deeds of Sale, to put in said Deeds the name of Rodolfo M. Tigno as vendee.

The plaintiff further averred in said Complaint that some time on May 16, 1989, when he was in Lingayen, Pangasinan, he came to know from friends that Rodolfo was negotiating the sale to defendant spouses of a portion of one of the parcels of land; that after requesting in writing the defendant-spouses to desist from buying the land, and after confronting Rodolfo himself, plaintiff found out upon verification with the Register of Deeds of Lingayen, that Rodolfo had already sold on April 29, 1989 said portion of 508.56 square meters to his co-defendant spouses who had previous knowledge that plaintiff, and not Rodolfo Tigno, is the real owner of said lands; that there being a violation of trust and confidence by defendant Rodolfo, plaintiff demanded from said defendants the reconveyance of said lands, the surrender of the possession thereof to him and the cancellation of the Deed of Sale of said portion of 508.56 square meters, but all the demands were unjustifiably refused.

In their Answer (pp. 8-11, records), defendants denied the material allegations of the complaint and alleged, by way of special and affirmative defense, that Rodolfo M. Tigno became the absolute and exclusive owner of the parcels of land having purchased the same after complying with all legal requirements for a valid transfer and that in selling a portion thereof to his co-defendants, he was merely exercising his right to dispose as owner; and that defendant spouses Casipit acquired the portion of 508.56 square meters in good faith and for value, relying upon the validity of the vendor's ownership."

After trial on the merits, the trial court^[7] dismissed the complaint and disposed as follows:^[8]

Wherefore, in the light of the facts and circumstances discussed above, the court hereby renders judgment against the plaintiff and in favor of the defendants.

1. Ordering the dismissal of the plaintiff's complaint for lack of basis in fact and in law;
2. Ordering the plaintiff to pay the defendants the sum of three thousand (P3,000.00) pesos as atty's fees and further to pay the costs of the proceedings."

As earlier stated, Respondent Court reversed the trial court. Hence, this petition for review.

The Issues

Petitioners raise the following issues: ^[9]

- I Evidence of record definitely show that the receipts of payments of Petitioner Rodolfo Tigno for the fishponds in question are authenticated, contrary to the decision of the Court of Appeals
- II Documents and circumstances substantiate ownership of petitioner Rodolfo Tigno
- III No fiduciary relationship existed between Petitioner Rodolfo Tigno and Private Respondent Eduardo Tigno"

The main issue is whether the evidence on record proves the existence of an implied trust between Petitioner Rodolfo Tigno and Private Respondent Eduardo Tigno. In petitions for review under Rule 45, this Court ordinarily passes upon questions of law only. However, in the present case, there is a conflict between the factual findings of the trial court and those of the Respondent Court. Hence, this Court decided to take up and rule on such factual issue, as an exception to the general