



Republic of the Philippines
Supreme Court
 Manila

THIRD DIVISION

ESPERANZA C. CARINAN,
 Petitioner,

G.R. No. 198636

Present:

PERALTA, J.,*
Acting Chairperson,
VILLARAMA, JR.,
REYES,
PERLAS-BERNABE,** and
JARDELEZA, JJ.

- versus -

SPOUSES GAVINO CUETO and
CARMELITA CUETO,
 Respondents.

Promulgated:

October 8, 2014

[Handwritten Signature]

X-----X

RESOLUTION

REYES, J:

This is a petition for review under Rule 45 of the Rules of Court, which seeks the reversal of the Decision¹ dated June 30, 2011 and Resolution² dated September 15, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 94700.

* Acting Chairperson per Special Order No. 1815 dated October 3, 2014 *vice* Associate Justice Presbitero J. Velasco, Jr.

** Acting member per Special Order No. 1816 dated October 3, 2014 *vice* Associate Justice Presbitero J. Velasco, Jr.

¹ Penned by Associate Justice Juan Q. Enriquez, Jr., with Associate Justices Ramon M. Bato, Jr. and Florito S. Macalino, concurring; *rollo*, pp. 34-40.

² Id. at 42-43.

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The case originated from a complaint³ for specific performance with damages filed by Spouses Gavino C. Cueto (Gavino) and Carmelita J. Cueto (respondents) against Esperanza C. Carinan (Esperanza) and her son, Jazer C. Carinan (Jazer). The respondents alleged that sometime in May 1986, Esperanza and her husband, Jose Carinan (Jose), acquired from one Roberto Ventura (Roberto) the rights over a parcel of land formerly covered by Transfer Certificate of Title (TCT) No. T-129128 under the name of the Government Service Insurance System (GSIS), measuring 180 square meters and more particularly described as Lot 24, Block 20, Juana Complex I, Biñan, Laguna. Their transaction was covered by a Deed of Assignment and Transfer of Rights with Assumption of Obligations. Esperanza and Jose were to assume the payment of the applicable monthly amortizations for the subject land to the GSIS.⁴

Several amortizations remained unpaid by Esperanza and Jose, resulting in an impending cancellation in 2005 of GSIS' conditional sale of the subject property to Roberto. It was then that Esperanza, then already a widow, sought financial assistance from her brother, Gavino, in October 2005. The respondents then paid from their conjugal savings Esperanza's total obligation of ₱785,680.37 under the subject deed of assignment.⁵

The respondents alleged that Esperanza and Jazer undertook to execute a Deed of Absolute Sale in favor of the respondents once the title over the subject property was transferred to their names, subject to the condition that they would be given the first option to buy it back within three years by reimbursing the expenses incurred by the respondents on the property.⁶ Besides satisfaction of the unpaid amortizations to GSIS, the respondents paid for the transfer of the subject property from Roberto to Esperanza, and the renovation of the residential house erected on the subject land, resulting in additional expenses of ₱515,000.00.⁷ TCT No. T-636804 already under the name of Esperanza was surrendered to the respondents.⁸

Sometime in 2006, the respondents demanded from Esperanza and Jazer the fulfillment of their commitment to transfer the subject property to the respondents' names through the execution of a deed of sale. When Esperanza and Jazer failed to comply despite efforts for an amicable settlement,⁹ the respondents filed with the Regional Trial Court (RTC) of Biñan, Laguna the subject complaint for specific performance with damages, which specifically sought the following reliefs:

³ Id. at 44-49.

⁴ Id. at 44-45.

⁵ Id. at 45.

⁶ Id.

⁷ Id. at 46.

⁸ Id. at 45-46.

⁹ Id. at 46-47.

WHEREFORE, it is respectfully prayed that after due hearing, judgment be rendered for the plaintiffs, ordering defendants to execute a Deed of Sale conveying the subject property in favor of plaintiffs or in the alternative pay the sum of One Million Three Hundred Thousand Six Hundred Eighty Pesos and 37/100 (P1,300,680.37), with interest at the legal rate, until fully paid; and to pay:

- 1) Moral damages in the amount of Three Hundred Thousand Pesos (P300,000.00);
- 2) Exemplary damages of One Hundred Thousand Pesos (P100,000.00);
- 3) Attorney's fees of One Hundred Thousand Pesos [(P100,000.00)], plus Three Thousand Pesos (P3,000.00) every hearing day; and
- 4) Costs.

Other equitable reliefs are likewise prayed for.¹⁰

Esperanza and Jazer disputed these claims. They argued that there was neither a written or verbal agreement for the transfer of the disputed property to the respondents' names, nor a promise for the repayment of the amounts that were paid by the respondents. Esperanza believed that Gavino paid her outstanding balance with the GSIS out of sheer generosity and pity upon her. She denied having borrowed the respondents' money because given her financial standing, she knew that she could not afford to pay it back. Furthermore, to require her to execute a deed of sale for the property's full conveyance would totally disregard the payments that she personally made for the purchase. Finally, Esperanza questioned Jazer's inclusion as a party to the case, claiming that he had no personal knowledge nor was he privy to any negotiation with the respondents.

On December 15, 2009, the RTC of Biñan, Laguna, Branch 25 rendered its Decision¹¹ with dispositive portion that reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of [the respondents] ordering [Esperanza and Jazer] to pay the following:

1. the amount of NINE HUNDRED TWENTY[-]SEVEN THOUSAND ONE HUNDRED EIGHTY[-]TWO PESOS AND 12/100 (P927,182.12) representing the amount of P 785,680.37 [paid] by the [respondents] to the GSIS; and P 141,501.75 consisting of the expenses in transferring the title to the name [of Esperanza and Jazer] plus the cost of improvements introduced on the property, with legal interest from the time of demand until fully paid;
2. the amount of P 100,000.00 as attorney's fees.

¹⁰ Id. at 48.

¹¹ Issued by Presiding Judge Teodoro N. Solis; id. at 104-114.

SO ORDERED.¹²

Given the substantial amount involved, the RTC ruled that the money paid by the respondents for Esperanza's arrears could not have been given gratuitously, but was intended as a loan that demanded a repayment. This arrangement was also bolstered by the fact that Esperanza surrendered possession of the subject land's TCT to the respondents. Had the parties intended a donation, then Esperanza should have kept possession of the title. Besides the amount of ₱785,680.37 paid to GSIS, expenses for transfer and property renovation paid by the respondents were determined by the court to total ₱141,501.75.¹³

The RTC emphasized that Esperanza and Jazer could not be compelled to convey the subject property to the respondents. Even granting that a promise to sell was made by Esperanza, the same was unenforceable as it was not reduced into writing.¹⁴ The inclusion of Jazer in the complaint was sustained by the trial court, considering that he was the son of Esperanza and the late Jose, whose estate had not yet been settled. Jazer, thus, had an interest in the subject property and benefited from the transaction.

Feeling aggrieved, Esperanza and Jazer appealed to the CA.

On June 30, 2011, the CA rendered its Decision¹⁵ that affirmed the rulings of the RTC. The CA agreed with the RTC's finding that the respondents' payment of the GSIS obligation could not have been gratuitous, considering its substantial amount. The CA also took note of the fact that the respondents retained possession of TCT No. T-636804 that covered the subject property. The CA then held that to prevent unjust enrichment by Esperanza, she should refund the payments which the respondents made to GSIS, the expenses for transfer of title, and the cost of improvements introduced on the property.¹⁶

Esperanza's motion for reconsideration was denied in a Resolution¹⁷ dated September 15, 2011. Hence, this petition for review on *certiorari*, which cites the following grounds:

¹² Id. at 114.

¹³ Id. at 111-112.

¹⁴ Id. at 113.

¹⁵ Id. at 34-40.

¹⁶ Id. at 39.

¹⁷ Id. at 42-43.

- I. The [CA] gravely erred in declaring that a contract of loan was created when respondent[s] paid [Esperanza's] arrears with the GSIS and not a donation or help extended by respondent[s] to [Esperanza].
- II. The [CA] gravely erred in not finding the existence of co-ownership between the parties.
- III. The [CA] gravely erred in not declaring respondent[s] [builders] in bad faith[,] hence not entitled to reimbursement of the costs of improvements [on] the subject property.
- IV. The [CA] gravely erred in affirming the award of attorney's fees and/or for not reducing the same for lack of evidence.¹⁸

The petition is bereft of merit.

At the outset, the Court emphasizes that only questions of law may be raised in a petition for review on *certiorari*. The Court is not a trier of facts. It is long settled that factual findings of the trial court, when affirmed by the CA, will not be disturbed by this Court. Such findings by the lower courts are entitled to great weight and respect, and are deemed final and conclusive on this Court when supported by evidence on record.¹⁹

Taking into account the foregoing rules, the Court adopts the RTC's and CA's finding that between Esperanza and the respondents, there was a clear intention for a return of the amounts which the respondents spent for the acquisition, transfer and renovation of the subject property. The respondents then reasonably expected to get their money back from Esperanza. Esperanza's claim that the expenses and payments in her behalf were purely gratuitous remained unsupported by records. As the CA correctly observed:

Indeed, the absence of intention to be reimbursed is negated by the facts of this case. [The respondents'] conduct never at any time intimated any intention to donate in favor of [Esperanza and Jazer]. A donation is a simple act of liberality where a person gives freely of a thing or right in favor of another, who accepts it (*Article 725, New Civil Code, as amended*). But when a large amount of money is involved, as in this case, this [c]ourt is constrained to take [Esperanza and Jazer's] claim of generosity by [the respondents] with more than a grain of salt.²⁰

Esperanza's refusal to pay back would likewise result in unjust enrichment, to the clear disadvantage of the respondents. "The main objective of the principle against unjust enrichment is to prevent one from

¹⁸ Id. at 16.

¹⁹ *Oropesa v. Oropesa*, G.R. No. 184528, April 25, 2012, 671 SCRA 174, 184.

²⁰ *Rollo*, p. 38.

enriching himself at the expense of another without just cause or consideration.”²¹ While Esperanza claims that her brother’s generosity was the consideration for the respondents’ payment of her obligations, this was not sufficiently established, that even the respondents vehemently denied the allegation.

In order to sufficiently substantiate her claim that the money paid by the respondents was actually a donation, Esperanza should have also submitted in court a copy of their written contract evincing such agreement. Article 748 of the New Civil Code (NCC), which applies to donations of money, is explicit on this point as it reads:

Art. 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.

As the Court ruled in *Moreño-Lentfer v. Wolff*,²² a donation must comply with the mandatory formal requirements set forth by law for its validity. When the subject of donation is purchase money, Article 748 of the NCC is applicable. Accordingly, the donation of money as well as its acceptance should be in writing. Otherwise, the donation is invalid for non-compliance with the formal requisites prescribed by law.²³

The respondents’ statement that they paid for Esperanza’s obligations because they wanted to help her did not contradict an understanding for the return of the claimed amounts. Clearly, the aid then needed by Esperanza was for the immediate production of the money that could pay for her obligations to the GSIS and effect transfer of title, in order that her payments and interest over the property would not be forfeited. The help accorded by the respondents corresponded to such need. It did not follow that the respondents could no longer be allowed to later demand the repayment. In disputing the claim against her, Esperanza imputed deceit upon the respondents and claimed that they misled her into their real intention behind the payment of her obligations and possession of TCT No. T-636804. Deceit, however, is a serious charge which must be proven by more than just bare allegations.

²¹ *Flores v. Lindo, Jr.*, G.R. No. 183984, April 13, 2011, 648 SCRA 772, 783.

²² 484 Phil. 552 (2004).

²³ *Id.* at 559.

Although the Court affirms the trial and appellate courts' ruling that, *first*, there was no donation in this case and, *second*, the respondents are entitled to a return of the amounts which they spent for the subject property, it still cannot sustain the respondents' plea for Esperanza's full conveyance of the subject property. To impose the property's transfer to the respondents' names would totally disregard Esperanza's interest and the payments which she made for the property's purchase. Thus, the principal amount to be returned to the respondents shall only pertain to the amounts that they actually paid or spent. The Court finds no cogent reason to disturb the trial court's resolve to require in its Decision dated December 15, 2009, around four years after the sums were paid for the subject property's acquisition and renovation, the immediate return of the borrowed amounts.

Esperanza's plea for a reversal of the lower courts' rulings upon her claim of co-ownership and allegation that the respondents were builders in bad faith cannot be considered at this stage of the case. These claims raise factual issues which are beyond the scope of a petition for review on *certiorari*. More importantly, such defenses were not advanced by Esperanza during the proceedings with the trial and appellate courts. Settled is the rule that "defenses not pleaded in the answer may not be raised for the first time on appeal. A party cannot, on appeal, change fundamentally the nature of the issue in the case. When a party deliberately adopts a certain theory and the case is decided upon that theory in the court below, he will not be permitted to change the same on appeal, because to permit him to do so would be unfair to the adverse party."²⁴

The award of attorney's fees in the respondents' favor is upheld, pursuant to Article 2208 of the NCC and following the trial and appellate courts' observation that the respondents were compelled to litigate in order to protect their interests.

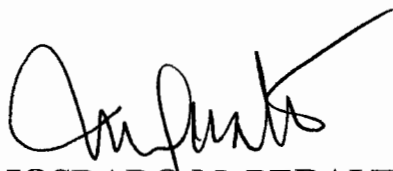
WHEREFORE, the petition is **DENIED**. The Decision dated June 30, 2011 and Resolution dated September 15, 2011 of the Court of Appeals in CA-G.R. CV No. 94700 are **AFFIRMED**.

SO ORDERED.


BIENVENIDO L. REYES
Associate Justice

²⁴ *Peña v. Tolentino*, G.R. No. 155227-28, February 9, 2011, 642 SCRA 310, 324, citing *Carantes v. Court of Appeals*, 167 Phil. 232, 240 (1977).


WE CONCUR:



DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson



MARTIN S. VILLARAMA, JR.
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

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



DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson
Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Resolution 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