

FIRST DIVISION

[G.R. NO. 146853, February 13, 2006]

**SALVADOR COMILANG, PETITIONER, VS. FRANCISCO BURCENA
AND MARIANO BURCENA, RESPONDENTS.**

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

Before the Court is a petition for review on *certiorari* of the Decision^[1] dated October 16, 2000 of the Court of Appeals (CA) in CA-G.R. CV No. 53794 which affirmed in toto the Decision dated March 28, 1996 of the Regional Trial Court, Branch 22, Narvacan, Ilocos Sur (RTC) and the CA Resolution dated December 19, 2000 which denied petitioner's motion for reconsideration.

The factual background of the case is as follows:

On April 29, 1985, Francisco Burcena and Mariano Burcena (respondents), together with their mother, Dominga Reclusado Vda. de Burcena (Dominga), filed a complaint for annulment of document with damages against Salvador Comilang (petitioner). The complaint alleges that: respondents are the owners of a 918-square meter parcel of land located in Manueva, Santa, Ilocos Sur and the house with a floor area of 32 square meters built thereon; respondents acquired the subject property through their earnings while working abroad; the subject property was declared for taxation purposes in Dominga's name as administrator thereof; on or about March 12, 1984, petitioner caused the execution of a Deed of Donation^[2] over said property by taking advantage of Dominga's blindness, old age and physical infirmity; the said Deed of Donation is null and void because: (a) Dominga had no right to donate the same since she is not its owner, (b) Dominga did not give her consent and was misled to the execution of such document, (c) granting Dominga had authority to donate, the donation is void because the property donated is the only property declared in her name and therefore she could not have reserved for herself in full ownership sufficient property to support herself; petitioner is in possession of the subject property, depriving respondents of its ownership and enjoyment of its fruits.^[3]

In his Answer dated February 24, 1986, petitioner contends that: the Deed of Donation was freely and voluntarily executed by Dominga in consideration of her love and affection for him; the subject property was acquired by Dominga together with her two sisters, Aniceta Reclusado and Juana Reclusado, long before respondents went to Hawaii; Dominga erected a house on the land long before the outbreak of World War II; Dominga financed out of her own money the construction of the house and subsequent improvements thereof, she being a merchant when she could still travel to Cagayan Valley; granting that respondents had been sending money to Dominga, said money already belonged to her; if Dominga used said money for improving the house, respondents have no right over the house.^[4]

During the pendency of the case and before she could take the witness stand, Dominga died.^[5] Following pre-trial, trial on the merits ensued. Witnesses for the plaintiffs were respondents and their aunt, Margarita Burcena (Margarita); while petitioner testified on his own behalf.

On March 28, 1996, the RTC rendered a Decision in favor of the respondents, the dispositive portion of which reads as follows:

WHEREFORE, decision is hereby rendered declaring the parcel of land and the improvement therein consisting of the house mentioned and described under paragraph 3 of the complaint, owned by the plaintiffs Francisco Burcena and Mariano Burcena, but declaring the possession of the defendant in good faith and further:

- a) That the Deed of Donation, Exhibit "1" and submarkings null and void;
- b) That the defendant must vacate the property and turnover the same to the plaintiffs.
- c) Without pronouncement as to moral, actual and other forms of damages as well as non-accounting of the produce from the property by virtue of the defendant's possession, thereof, as well as attorney's fees.

SO ORDERED.^[6]

The RTC held that the donation is void because Dominga could not have validly disposed of the subject property since it was bought with the money sent by respondents while working abroad, although declared for taxation purposes in Dominga's name.

Dissatisfied, petitioner filed an appeal with the CA. In its Decision dated October 16, 2000, the CA found no cogent reason to disturb the factual findings of the RTC, as well as the latter's assessment of the credibility of witnesses. The CA held that the case involves an implied trust known as *purchase price resulting trust under* Article 1448 of the Civil Code where property sold is granted to one party but the price is paid for by another; that the evidence presented by the respondents convincingly show that the subject property was bought with money belonging to respondents but declared in Dominga's name as administrator thereof; and that Dominga's act of donating the property to petitioner was beyond her authority and capacity, done without the consent of the real owners, herein respondents. Thus, the CA sustained the conclusion of the RTC that the donation is void.^[7]

Petitioner filed a motion for reconsideration^[8] but it was denied by the CA in its Resolution dated December 19, 2000.^[9]

Hence, the present petition for review on *certiorari* anchored on the following assigned errors:

The Honorable Court of Appeals erred:

1. IN DECLARING IN ITS QUESTIONED DECISION xxx THAT "xxx implied trust arises over the subject property xxx"; xxx; AND/OR
2. IN DECIDING THE INSTANT CASE NOT IN ACCORDANCE WITH LAW AND/OR APPLICABLE DECISIONS OF THIS HONORABLE COURT; AND/OR
3. IN MISAPPRECIATING CIRCUMSTANCES OF SUBSTANCE AND VALUE WHICH GREATLY AFFECT THE OUTCOME OF THE CASE OR REVERSE THE DECISION OF THE HONORABLE REGIONAL TRIAL COURT OF NARVACAN, ILOCOS SUR, BRANCH 22.^[10]

Petitioner assails the CA's application of the principle of implied trust to nullify the Deed of Donation executed in his favor. He asserts that the existence of an implied trust between respondents and Dominga in relation to the subject property was never treated by the RTC nor was it brought in issue on appeal before the CA. Petitioner further argues that Margarita's statement on the witness stand that Dominga told her that the respondents sent her money to buy the subject property, should not have been given weight or credence by the RTC and the CA because it is hearsay and has no probative value.

On the other hand, respondents maintain that the CA has the judicial prerogative to rule on matters not assigned as errors in an appeal if indispensable or necessary to the just resolution of the case. As to Margarita's testimony, respondents submit that it is not hearsay since Margarita merely stated what Dominga said.

The petition is bereft of merit.

Once a court acquires jurisdiction over a case, it has wide discretion to look upon matters which, although not raised as an issue, would give life and meaning to the law. Indeed, the Rules of Court recognize the broad discretionary power of an appellate court to consider errors not assigned. Section 8, Rule 51 of the 1997 Rules of Civil Procedure provides:

SEC. 8 Questions that may be decided. No error which does not affect the jurisdiction over the subject matter or the validity of the judgment appealed from or the proceedings therein will be considered, unless stated in the assignment of errors, or closely related to or dependent on an assigned error and properly argued in the brief, save as the court may pass upon plain errors and clerical errors.

Thus, an appellate court is clothed with ample authority to review rulings even if they are not assigned as errors in the appeal in these instances: (a) grounds not assigned as errors but affecting jurisdiction over the subject matter; (b) matters not assigned as errors on appeal but are evidently plain or clerical errors within contemplation of law; (c) matters not assigned as errors on appeal but consideration of which is necessary in arriving at a just decision and complete resolution of the case or to serve the interests of justice or to avoid dispensing piecemeal justice; (d) matters not specifically assigned as errors on appeal but raised in the trial court and are matters of record having some bearing on the issue submitted which the parties failed to raise or which the lower court ignored; (e) matters not assigned as errors on appeal but closely related to an error assigned; and (f) matters not assigned as