



RECEIVED
JAN 08 2020
BY: Y/A
TIME: 11:13 AM

Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

FRANCISCO C. DELGADO,
represented by JOSE MARI
DELGADO,
Petitioner,

G.R. No. 241774

Present:

CARPIO, J.,* *Chairperson*,
CAGUIOA,
J. REYES, JR.,
LAZARO-JAVIER, and
ZALAMEDA, JJ.

-versus-

GQ REALTY DEVELOPMENT
CORP., MA. ROSARIO G.
MEYER, KARL KURT EDWARD
MEYER, and THE REGISTRY OF
DEEDS OF MAKATI CITY,
Respondents.

Promulgated:

25 SEP 2019

X ----- X

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 Decision² dated March 22, 2018 (assailed Decision) and Resolution³ 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:

* Designated as Acting Chief Justice per Special Order No. 2703 dated September 10, 2019.

¹ *Rollo*, pp. 3-27.

² Id. at 28-36. Penned by Associate Justice Ronaldo Roberto B. Martin, with Associate Justices Ricardo R. Rosario and Eduardo B. Peralta, Jr. concurring.

³ Id. at 38-40.

***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. 9159⁴ 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

⁴ Id. at 55-56.

⁵ Id. at 143.



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

⁶ Id. at 29.

⁷ Id. at 138-139.

⁸ Id. at 129-152.

⁹ Id. at 139.

¹⁰ Id. at 139-140.



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 Damages¹⁶ (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

¹¹ Id. at 90-91.

¹² Id. at 140.

¹³ Id. at 141.

¹⁴ Id. at 142.

¹⁵ Id. at 143.

¹⁶ Id. at 42-52.



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 Defenses²⁰ 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 Order²³ 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,

¹⁷ Id. at 95-109.

¹⁸ Id. at 67-88.

¹⁹ Id. at 129-152.

²⁰ Id. at 233-246.

²¹ Id. at 247-261.

²² Id. at 31.

²³ Id. at 262-265. Penned by Presiding Judge Benjamin T. Pozon.



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, plaintiff's 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 Order²⁶ 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.

²⁴ Id. at 264-265.

²⁵ Id. at 266-280.

²⁶ Id. at 347-348.

²⁷ Id. at 349-351.

²⁸ Supra note 2.

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.

Nevertheless, the CA upheld the RTC's Order dismissing the Complaint because petitioner Francisco's claim had already waived, abandoned, or otherwise extinguished through the execution of the Ante-Nuptial Agreement.

The CA found that:

Based from the [Ante-Nuptial Agreement], it is clear and apparent that any property, real or personal, owned by [Victoria] shall remain in her possession subject to her own disposition without need of consent from [petitioner Francisco]. To support [respondents'] averment that the condominium was bought through the use of their own funds, [the respondents] presented CCT No. 9159 bearing [respondent] GQ Realty as the first owner thereof, the Deed of Absolute Sale between GQ Realty and [respondent Rosario], and later on, the next CCT No. 101544 bearing [respondent Rosario's] name as the new owner thereof. *The best proof of the ownership of the land is the certificate of title and it requires more than a bare allegation to defeat the face value of a certificate of title which enjoys a legal presumption of regularity of issuance.* Indeed, the condominium is owned by [Victoria] solely and had every right to dispose of the same.³⁰

The dispositive portion of the assailed Decision reads:

WHEREFORE, the foregoing considered, the present *Appeal* is hereby **DENIED**. The *Orders dated 29 January 2014 and 20 January 2016* issued by the Regional Trial Court (RTC), National Capital Judicial Region, Branch 139, Makati City in Civil Case No. 07-623 is hereby **PARTIALLY AFFIRMED**.

Let the records reflect that the present action is dismissed on the ground of **WAIVER ONLY**.

SO ORDERED.³¹

Petitioner Francisco filed a Motion for Reconsideration³² on May 4, 2018, which was denied by the CA in the assailed Resolution.³³

²⁹ 814 Phil. 468 (2017).

³⁰ *Rollo*, p. 35; italics in the original, citations omitted.

³¹ *Id.* at 36; emphasis and italics in the original.

³² *Id.* at 352-366.

³³ *Supra* note 3.

Hence, the instant appeal before the Court.

Respondents GQ Realty and Rosario filed their Comment³⁴ dated February 12, 2019. Petitioner Francisco filed his Reply³⁵ dated June 26, 2019.

Issue

The central issue in the instant case is whether petitioner Francisco, in executing the Ante-Nuptial Agreement, waived, abandoned, or otherwise extinguished his alleged interest over the subject property.

The Court's Ruling

The instant Petition is unmeritorious.

In asserting that the RTC committed a grave error in holding that petitioner Francisco waived, abandoned, or extinguished his rights over the subject property by executing the Ante-Nuptial Agreement, petitioner Francisco relies on three major arguments: (1) the affirmative defense of waiver was supposedly waived by the respondents as the latter allegedly failed to raise the same in their Amended Answer; (2) assuming *arguendo* that the affirmative defense of waiver may be appreciated, the issue is one involving evidentiary matters requiring a full-blown trial on the merits; and (3) petitioner Francisco did not waive his alleged rights and interests over the subject property.

The Court shall discuss the aforementioned points *ad seriatim*.

The affirmative defense of waiver, abandonment, and extinguishment was sufficiently alleged in the Amended Answer

Petitioner Francisco invokes Rule 9, Section 1 of the Rules of Court, which states that defenses and objections not raised in either a motion to dismiss or in the answer are deemed waived.

Since the respondents allegedly failed to raise in their Amended Answer the argument that petitioner Francisco waived his rights over the subject property by executing the Ante-Nuptial Agreement, petitioner Francisco argues that such defense has already been deemed waived.

The argument is not well-taken.

³⁴ *Rollo*, pp. 458-534.

³⁵ *Id.* at 704-717.



A simple perusal of the Amended Answer reveals that the respondents were able to raise as a special and affirmative defense that petitioner Francisco had waived his rights over the subject property by his having executed the Ante-Nuptial Agreement.

Under the “Special and Affirmative Defenses” of their Amended Answer, the respondents unequivocally asserted that “[u]nder the Pre-Nuptial Agreement of [petitioner Francisco] and [Victoria], it is stipulated that properties of [Victoria] remain hers and hers alone and that any property which [petitioner Francisco] may give [Victoria] shall pertain to her exclusively to the exclusion of [petitioner Francisco] and perforce his children.”³⁶

Moreover, the pertinent portions of the Ante-Nuptial Agreement were likewise stated in the Amended Answer.³⁷ More importantly, a copy of the said document was appended to the Amended Answer.

That the respondents did not use the words “waiver,” “abandonment,” and “extinguishment” is of no moment, considering that it was specifically raised that, by virtue of the Ante-Nuptial Agreement, petitioner Francisco has no valid claim over the subject property.

The issue on waiver does not necessitate a full-blown trial on the merits

As to petitioner Francisco’s second main argument, the same similarly lacks merit.

Petitioner Francisco argues that “[w]hether or not there was indeed a waiver of rights by petitioner is an issue involving evidentiary matters requiring a full-blown trial on the merits and cannot be determined in a mere motion to dismiss.”³⁸

However, it must be stressed that the RTC’s finding that established petitioner Francisco’s waiver of his alleged rights over the subject property was based on evidence actually presented. As revealed by the records of the instant case, the RTC set a *preliminary hearing* on the affirmative defenses raised by the respondents. The preliminary hearing was the venue, and afforded both parties, to present their evidence with respect to the affirmative defenses of the respondents. On March 2, 2012, the preliminary hearing was held before the RTC. Nevertheless, during the preliminary hearing, only the respondents appeared. Petitioner Francisco failed to participate in the preliminary hearing despite due notice.³⁹

³⁶ Id. at 147; emphasis supplied.

³⁷ Id. at 140-141.

³⁸ Id. at 15-16; emphasis omitted.

³⁹ See Order dated March 2, 2012, records, pp. 443-444.



Hence, petitioner Francisco cannot now use his own act of not appearing and presenting evidence in the preliminary hearing as a basis to argue that he was deprived the opportunity to produce evidence. He had every opportunity to do so during the preliminary hearing, and it was his own decision not to attend it.

Further, with respect to the existence, genuineness, and due execution of the Ante-Nuptial Agreement, no further evidence is needed to establish the same.

Under Rule 8, Section 7 of the Rules of Court, whenever a defense is based upon a written instrument or document, the substance of such instrument shall be set forth in the pleading and the original or copy thereof shall be attached to the pleading, which shall be deemed part of the pleading. According to the succeeding section, the genuineness and due execution of the instrument shall be deemed admitted unless the adverse party, under oath specifically denies them, and sets forth what he claims to be the facts.

In the instant case, it is not disputed whatsoever that *petitioner Francisco failed to specifically deny under oath the genuineness and due execution of the Ante-Nuptial Agreement*. In fact, the existence of the Ante-Nuptial Agreement was never questioned nor denied by petitioner Francisco. The latter merely contests the meaning and import of the said document.⁴⁰

Hence, for the following reasons, the Court does not subscribe to petitioner Francisco's view that a full-blown trial on the merits is necessary to settle the question of petitioner Francisco's supposed waiver of rights over the subject property under the Ante-Nuptial Agreement.

The RTC did not err in holding that petitioner Francisco waived his alleged rights over the subject property by executing the Ante-Nuptial Agreement

The Court shall now discuss the final argument of petitioner Francisco.

According to Rule 6, Section 5(b) of the Rules of Court, an affirmative defense is an allegation of a new matter which, while hypothetically admitting the material allegations in the pleading of the claimant, would nevertheless prevent or bar recovery by him. The affirmative defenses include fraud, statute of limitations, release, payment, illegality, statute of frauds, estoppel, former recovery, discharge in bankruptcy, and any other matter by way of confession and avoidance.

⁴⁰ *Rollo*, p. 17.



Under Rule 16, Section 6, if no motion to dismiss has been filed, any of the grounds for dismissal provided for in this Rule may be pleaded as an affirmative defense in the answer and, in the discretion of the court, a preliminary hearing may be had thereon as if a motion to dismiss had been filed.

In the instant case, the respondents did not file any Motion to Dismiss. Instead, they filed a Motion for Preliminary Hearing so that the RTC could receive evidence and thereafter decide whether the affirmative defenses raised by the respondents are meritorious. According to the RTC, and as affirmed by the CA, after the preliminary hearing, the respondents were able to prove their affirmative defense that, while hypothetically admitting the material allegations in the Complaint, the alleged claim of petitioner Francisco over the subject property has been deemed waived, abandoned, or otherwise extinguished when petitioner Francisco and Victoria executed the Ante-Nuptial Agreement.

In this regard, the Court finds that the RTC and CA did not err. Hypothetically admitting the material allegations in the Complaint, the Court holds that petitioner Francisco indeed waived, abandoned, or otherwise extinguished his alleged rights over the subject property.

The pertinent portions of the Ante-Nuptial Agreement state the following:

II. They mutually agree that their property relations as future spouses shall be under the regime of COMPLETE SEPARATION OF PROPERTY during the marriage.

x x x x

Now, therefore, for and in consideration of the foregoing premises, the parties hereto agree as follows:

(1) All the property, real and personal, now owned or hereafter to be owned by [petitioner Francisco] shall remain his own exclusive and separate property, subject to his sole disposition, administration and enjoyment; **while those of [Victoria] shall likewise remain her own absolute property**, subject to her sole disposition, administration and enjoyment.

x x x x

(3) However, during his lifetime, [petitioner Francisco] agrees that the maintenance, support and care of [Victoria] shall be borne solely by him and any gift which [petitioner Francisco] may have bestowed or shall bestow on [Victoria] shall become her exclusive property. Any gift which [Victoria], on the other hand, may have given or may give to [petitioner Francisco] shall revert to her after his death for her to dispose of as she may wish.

x x x x

(6) In furtherance, and not in limitation, of this Agreement, **[petitioner Francisco] and [Victoria] hereby agree without any mental reservation that neither of them shall acquire any interest, directly or indirectly, over the properties, real or personal, of each other or the other's late spouse.**⁴¹

Hence, under the Ante-Nuptial Agreement, petitioner Francisco unequivocally discharged any and all interest over all gifts that he had bestowed upon Victoria.

Thus, even hypothetically admitting as true petitioner Francisco's material allegations in the Complaint that he had used his own money to buy the subject property, then this purchase of the subject property, thereafter registered in the name of respondent GQ Realty, was, for all intents and purposes, a gift bestowed upon Victoria.

As alleged by petitioner Francisco, he purchased the subject property in 1987 so "that he could effectively express his support for the ailing [Victoria]."⁴² In the Complaint, petitioner Francisco himself declared that "[t]he best [way to provide for Victoria] that he conceived of was to acquire real properties, although to have them registered in the name of [respondent GQ Realty]."⁴³

Moreover, petitioner Francisco himself explained that he had no qualms in registering the subject property in the name of respondent GQ Realty despite having the real intent of providing real property for Victoria because the said corporation "was anyway headed by no less than [Victoria]."⁴⁴

To be sure, the Complaint itself explains that, to begin with, the choice of purchasing the subject property was dictated by no less than Victoria. As alleged by petitioner Francisco in the Complaint, "[Victoria was the one who] suggested the acquisition of the subject property located at Unit 12-B of the same Condominium, right beside the property being occupied by her daughter. He, thus, transacted for the acquisition of the same and provided all the necessary funds x x x."⁴⁵ Hence, straight from petitioner Francisco's mouth, and hypothetically admitting this as true, it is clear that petitioner Francisco bought the subject property for the purpose of accommodating Victoria's desire to live beside her daughter, respondent Rosario.

Further, the Complaint itself alleged that petitioner Francisco was moved to purchase the subject property because Victoria was sickly, had no source of income, became financially dependent on her family, and did not

⁴¹ Id. at 90-91; emphasis and underscoring supplied.

⁴² Id. at 46.

⁴³ Id.

⁴⁴ Id.

⁴⁵ Id. at 46-47.



actively engage in any business venture or profession.⁴⁶ Otherwise stated, Victoria was the very *animus* behind his purchase of the subject property.

In fact, petitioner Francisco himself describes his act of purchasing the subject property and registering the same under the name of respondent GQ Realty as an act “of benevolence and of concern [for Victoria, which] endeared himself even further to [Victoria]. Thus, the subsequent marriage proposal made by [petitioner Francisco] became irresistible.”⁴⁷

Unequivocally, petitioner Francisco maintained that the purchase of the subject property was a “magnanimous and chivalrous” act that was undertaken not “only to simply win the heart of [Victoria]. [Petitioner Francisco] honestly cared for [Victoria], and continually lavished her with emotional and material nurturing during the marriage.”⁴⁸ Petitioner Francisco declared in the Complaint that “he was able to provide [Victoria] with everything she would ever want or need x x x by acquiring the subject property and placing it in the meantime in the name of [respondent GQ Realty].”⁴⁹

Therefore, taking into consideration the foregoing material allegations in the Complaint, despite the subject property being registered in the name of respondent GQ Realty, petitioner Francisco’s act of purchasing the subject property using his own funds was a genuine act of gratuity in favor of Victoria. Consequently, since petitioner Francisco declared in the Ante-Nuptial Agreement, which was executed after the purchase of the subject property, that he was explicitly discharging any and all interest in all gifts that he had theretofore bestowed upon Victoria, petitioner Francisco’s alleged interest in the subject property has been completely waived in favor of Victoria.

While petitioner Francisco does not deny that his purchase of the subject property was borne out of gratuity, he now maintains that the subject property was not bestowed upon Victoria, but was instead given to respondent GQ Realty, a separate juridical entity. Petitioner Francisco now argues that as respondent GQ Realty was the registered owner of the subject property and not Victoria, then the subject property is not within the coverage of the Ante-Nuptial Agreement.

The Court is not persuaded.

As already explained above, the material allegations of the Complaint itself readily reveals that the interest of respondent GQ Realty in the subject property is purely in name. In fact, petitioner Francisco himself readily acknowledged that “[respondent] GQ Realty would [only] appear as the buyer on paper.”⁵⁰ In actuality, the subject property was given to Victoria as a gift

⁴⁶ Id. at 45.

⁴⁷ Id. at 47.

⁴⁸ Id. at 48.

⁴⁹ Id.

⁵⁰ Id. at 7.



from petitioner Francisco. Hence, the subject property is aptly within the coverage of the Ante-Nuptial Agreement.

But even assuming *arguendo* that petitioner Francisco really intended to bestow the subject property in favor of respondent GQ Realty and not Victoria, the argument still fails to convince.

While ordinarily, respondent GQ Realty and Victoria are deemed to have unique and separable juridical personalities, the factual circumstances of the instant case reveal that, in so far as the subject property is concerned, respondent GQ Realty and Victoria are one and the same person. Thus, as petitioner Francisco and Victoria expressly agreed in the Ante-Nuptial Agreement that the latter's properties would be hers exclusively, that any gift bestowed upon Victoria from petitioner Francisco would remain her exclusive property, and that petitioner Francisco waived all direct and indirect interests in Victoria's properties, it is clear to the Court that petitioner Francisco has waived and abandoned any and all interest in the subject property.

It is not disputed whatsoever that respondent GQ Realty is a family corporation. In fact, "GQ" stands for *Gonzales Quirino*, the last names of Luis, Victoria's first deceased husband, and Victoria. As borne by petitioner Francisco's own evidence, *i.e.*, respondent GQ Realty's Articles of Incorporation,⁵¹ Victoria, the incorporator of the company, owns ₱1,135,000.00 out of the ₱1,875,000.00 total capital stock of the corporation. The other incorporators and shareholders of respondent GQ Realty are the daughters and son of Victoria and Luis, who own minimal shareholdings. The principal office of respondent GQ Realty is Unit 12-B — the residence of Victoria as indicated in the Articles of Incorporation.

Even more telling is the fact that respondent GQ Realty never really operated as a legitimate real estate corporation. It has not been disputed that respondent GQ Realty entered into transactions only with Victoria's daughter respondent Rosario, *i.e.*, when she mortgaged the subject property with BPI in 2000 and when the subject property was eventually transferred in her name.⁵² There is no proof whatsoever that respondent GQ Realty legitimately engaged in real estate business and actually sought investments from other investors.

To be sure, the Complaint itself alleges that despite putting up respondent GQ Realty, Victoria did not really operate any business venture and that none of Victoria's children was interested in the real estate business despite being named incorporators and stockholders of the said corporation.⁵³

Petitioner Francisco's theory that he bought the subject property using his own funds in order to augment respondent GQ Realty's real estate assets

⁵¹ Id. at 57-63.

⁵² Id. at 142.

⁵³ Id. at 45-46.



is thus not worthy of belief. As recognized by petitioner Francisco himself, respondent GQ Realty had decent capitalization and the Gonzales family was an affluent and prominent family.⁵⁴ Hence, if respondent GQ Realty really intended to engage in the realty business, it had no reason to rely whatsoever on the gratuity of petitioner Francisco.

Hence, based on the records of the instant case, the Court believes that respondent GQ Realty is exactly what it purports to be — a mere holding company of Victoria's properties. Respondent GQ Realty was founded merely to be an instrumentality and conduit utilized by Victoria to hold her properties. To reiterate, during the preliminary hearing, petitioner Francisco had every opportunity to debunk respondent GQ Realty's assertion that it was merely a holding company of Victoria's assets. Yet, petitioner Francisco failed to do so by unjustifiably failing to participate in the preliminary hearing.

In a last-ditch effort to assail the RTC's and CA's interpretation of the Ante-Nuptial Agreement as including within its contemplation the subject property, petitioner Francisco additionally argues that such interpretation of the agreement is "unconscionable and unreasonable on its face" because there was allegedly "no explanation offered for the alleged waiver made in favor of [Victoria] for the alleged property."⁵⁵

Once more, this argument fails to persuade. As revealed in the Complaint, petitioner Francisco himself amply provides for the explanation of the waiver of his alleged interests over the subject property — to win over the heart of Victoria, as well as to provide her emotional and material nurturing. True love compels people to move heaven and earth just to win the affection of their beloved. Hence, the waiver of petitioner Francisco's alleged interests over the subject property — again only hypothetically admitting this to be true — is completely fathomable and understandable, given his professed true love and affection for Victoria.

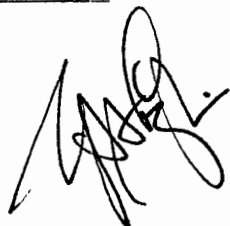
Moreover, the Rules on Evidence hold that in the construction of the terms of an agreement, when different constructions of a provision are otherwise equally proper, that is to be taken which is the most favorable to the party in whose favor the provision was made.

Clearly, the subject provision in the Ante-Nuptial Agreement — which states that any gift which petitioner Francisco bestowed on Victoria shall become her exclusive property, while any gift which Victoria gave to petitioner Francisco shall revert to her after his death — is a provision heavily in favor of Victoria. Hence, construing the Ante-Nuptial Agreement to include properties given to Victoria through her holding company is warranted.

Lastly, this essential fact must not be overlooked — the Ante-Nuptial Agreement was *not* drafted by Victoria and her children. The said agreement

⁵⁴ Id. at 98-99.

⁵⁵ Id. at 20.



was drafted by petitioner Francisco through his counsel, Romulo Mabanta Law Offices.

Hence, if petitioner Francisco really intended to take out from the coverage of the Ante-Nuptial Agreement properties that were given to Victoria but registered in the name of her holding company, he could have easily included a provision to that effect in the agreement in order to eradicate any ambiguity and misinterpretation. It is elementary that any ambiguity in a contract whose terms are susceptible of different interpretations must be read against the party who drafted it,⁵⁶ who in this case was petitioner Francisco.

Over and above the foregoing, it does not escape the attention of the Court that petitioner Francisco was not able to provide any shred of evidence, aside from his mere say-so, that he was the one who actually bought the subject property using his own funds and that the subject property was merely held in trust by Victoria and respondent GQ Realty. Assuming that petitioner Francisco really used his own funds to buy the subject property and that he intended to preserve his interest in the subject property, petitioner Francisco's failure to reduce such intention into writing and place protective measures to secure his alleged interest over the subject property in the Ante-Nuptial Agreement and in any other document is *clearly contrary to human experience*. It must be stressed that the CCT covering the subject property, which is currently under the name of respondent Rosario, is the best proof of ownership of the property and it requires more than the bare allegation of petitioner Francisco to defeat the face value of the certificate of title, which enjoys a legal presumption of regularity of issuance.⁵⁷

In sum, as respondent GQ Realty is a mere holding company and alter ego of Victoria, the sheer fact that the subject property was registered in its name does not denigrate the fact that the subject property was really the property of Victoria. Hence, hypothetically admitting the material allegations of petitioner Francisco in his Complaint, when petitioner Francisco executed the Ante-Nuptial Agreement and waived any and all rights and interests over the properties of Victoria, the subject property was deemed included therein.

WHEREFORE, the instant appeal is **DENIED**. The assailed Decision dated March 22, 2018 and Resolution dated July 24, 2018 of the Court of Appeals in CA-G.R. CV No. 106413 are hereby **AFFIRMED**.

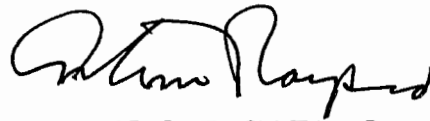
SO ORDERED.


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

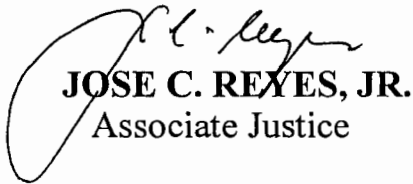
⁵⁶ *Garcia v. CA*, 327 Phil. 1097, 1111 (1996); citation omitted.

⁵⁷ *Heirs of Velasquez v. Court of Appeals*, 382 Phil. 438, 458 (2000).

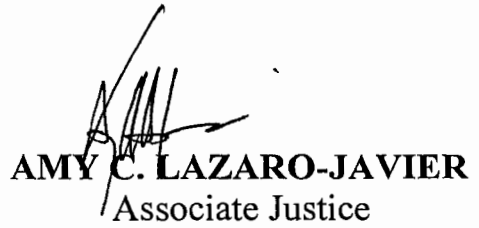
WE CONCUR:



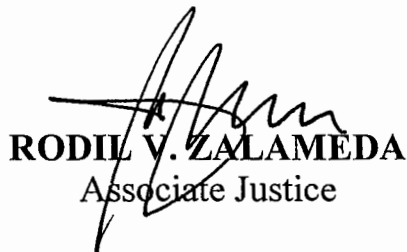
ANTONIO T. CARPIO
Acting Chief Justice
Chairperson



JOSE C. REYES, JR.
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice



RODIL V. ZALAMEDA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Acting Chief Justice

