

Title: SPOUSES MAGDALINO AND CLEOFE BADILLA v. FE BRAGAT (G.R. No. 200061)

Facts:

The Spouses Azur and Profitiza Pastrano were the original owners of Lot No. 19986 in Cagayan de Oro City. They sold the lot to Eustaquio Ledesma Jr. on November 18, 1968. However, the Spouses Magdalino and Cleofe Badilla claim they bought a 200 sq. m. portion of Lot No. 19986 from Ledesma in 1970, though the sale was not formally documented. The Spouses Florito Bragat and Fe Bragat also acquired a portion of the lot from Ledesma in 1978, after which Azur Pastrano acquired the title for the lot in 1980 and sold it to Fe Bragat in 1984. Fe Bragat later secured a new title after claiming the original was lost, and Pastrano sold the lot to her again in 1987. Following a dispute over possession, the parties filed competing suits. The trial court and Court of Appeals ruled mainly in favor of Bragat.

Procedural Posture:

The Spouses Badilla and Fe Bragat filed separate complaints against each other with the Regional Trial Court (RTC), which were eventually consolidated. Bragat sought recovery of possession and the Spouses Badilla sought to quiet title and nullify Bragat's title. The RTC and subsequently the Court of Appeals sided with Bragat, with the latter granting partial relief to the Badillas by recognizing their claim to a smaller portion of the land. Dissatisfied, the Badillas brought the case to the Supreme Court via petition for review on certiorari.

Issues:

The Supreme Court had to determine the true ownership of the disputed property and address the following legal issues:

1. Whether ownership transferred to the Spouses Badilla after their verbal purchase from Ledesma.
2. Whether Fe Bragat's title (TCT No. T-47759) was validly issued.
3. The effects of double sales of the property by two different vendors.

Court's Decision:

The Supreme Court granted the Badillas' petition, holding that the trial court and the Court of Appeals misapprehended facts regarding the transfer of ownership. It was established that upon the Badillas' purchase and immediate possession of the property, they acquired ownership even though the sale was verbal. The subsequent title issued to Bragat was declared void as it was based on a simulated sale with Bragat knowing Pastrano no longer owned the property. Therefore, two new titles were ordered issued: one for the Spouses

Badilla for the area in their possession and another for Fe Bragat for the remaining land.

Doctrine:

- Ownership is transferred when the property is placed in the control and possession of the vendee, and delivery or traditio operates to divest the vendor of the title.
- Verbal contracts that have been partially executed are not barred by the Statute of Frauds.
- No one can sell what one does not have (*Nemo dat quod non habet*).
- Where there are multiple sales, Article 1544 of the Civil Code applies, giving ownership to the buyer who first took possession in good faith or first registered the sale in good faith.

Class Notes:

- Essential elements of a sale: (1) Consent or meeting of the minds, (2) Determinate subject matter, and (3) Price certain in money or its equivalent.
- Constructive delivery (*traditio*) is done through symbols, signs, keys, documents of title, or by such other means recognized by the practices of men.
- The Statute of Frauds requires certain contracts, including those for the sale of real property, to be in writing to be enforceable, but this only applies to executory agreements, not those that have been partially or fully performed.
- Article 1544 of the Civil Code governs the rules on double sales, prioritizing the first possessor in good faith or the first registrant in good faith.

Historical Background:

This case illustrates the complexities of real property sales and title issues in the Philippines, emphasizing the importance of good faith and prior possession in property disputes. It also underscores the difficulties caused by informal transactions and the necessity of proper documentation and registration in conveyances of real property.