

Title: Quijada vs. Court of Appeals

Facts:

The Quijadas, heirs of Trinidad Quijada, sued for quieting of title, recovery of possession, ownership of lands, attorney's fees, and damages against several defendants. Trinidad inherited land from Pedro Corvera and through a conditional deed of donation in 1956, donated it to the Municipality of Talacogon for a school. The donation had a reversion clause if the school didn't materialize. Despite donating, Trinidad sold parts of the land to Regalado Mondejar on different occasions. The school plan failed; the land reverted to the donors per a municipal resolution in 1987. The heirs sued claiming the sales were void as Trinidad didn't own the land when selling. The trial court agreed, ordering return of the lands, cancellation of sales, and damages. However, the Court of Appeals (CA) reversed this, holding the sales were valid due to Trinidad's retained interest by virtue of the reversion clause.

Issues:

1. Whether Trinidad Quijada had the authority to sell the donated lands to Mondejar due to the automatic reversion clause in the deed of donation.
2. Whether the Quijada heirs' action is barred by laches.
3. The validity of the Court of Appeals' reversal of the trial court's findings and its implications on property law.

Court's Decision:

The Supreme Court affirmed the CA's decision, validating the sales made by Trinidad Quijada. It held that the donation agreement's reversion clause granted her a form of inchoate interest which could be the subject of contracts, including sales. The Court distinguished between the perfection and consummation of a contract of sale, affirming that Trinidad's inability to transfer ownership at the time of perfection did not invalidate the sales. Under Article 1434 of the New Civil Code, when Trinidad (or her heirs) eventually reacquired ownership, it automatically transferred to Mondejar. The Court also found that the action wasn't barred by laches, given the timing of the ownership reversion. However, regarding the heirs' knowledge and the municipality's eventual non-fulfillment of the condition was only confirmed in 1987, close to the time of their lawsuit in 1988.

Doctrine:

The ruling reiterated the distinctions between a contract's perfection and consummation in property law. It highlighted Article 1434 of the New Civil Code, which involves the transfer

of ownership by operation of law to a buyer once the seller acquires the title to the property sold, establishing the principle that an inchoate right due to a resolutive condition in a deed of donation can be the subject of a sale.

Class Notes:

- **Perfection vs. Consummation of Contracts**: The Court distinguished between these two stages, emphasizing that non-ownership at the time of a sale's perfection does not invalidate the contract if the seller can transfer ownership upon consummation.
- **Article 1434, New Civil Code**: Key in understanding how ownership is transferred by operation of law from a seller who later acquires title to the property they've sold.
- **Laches**: Defined as an unreasonable delay in pursuing a right or claim in a way that prejudices the opposing party. The Court found it inapplicable, given the timings involved around the issue of the reversion of the property.

Historical Background:

This case reflects on the intricacies of property donations with resolutive conditions and their impact on subsequent transactions. It underscores the legal complexities arising when donated properties fail to fulfill the conditions attached to them and revert to the original donors or their heirs, as well as the necessity to balance the interests of those who may acquire interests in such properties based on actions taken by the donors before reversion.