

****Title:**** Maria Vda. de Reyes, et al. vs. Spouses Dalmacio Gardiola and Rosario Martillano

****Facts:****

The case revolves around a parcel of land originally owned by Gavino Reyes, which was intended to be brought under the Torrens System of land registration. Unfortunately, upon his death in 1921, the title had not been issued. His heirs continued the process, leading to the issuance of the original certificate of title (OCT) in 1941, which was unknown to the heirs due to possession by Juan Poblete. Rafael Reyes, Sr., an heir, sold a part of this land to Dalmacio Gardiola in 1943. In 1967, the heirs executed an Extrajudicial Settlement of Estate, leading to the creation of transfer certificates of title (TCT) for divided lots, with TCT No. 27257 covering Lot No. 1-A-14 issued to Rafael Reyes, Jr., which was then challenged by the petitioners, his heirs, leading to a legal battle for recovery of possession or indemnification. The Regional Trial Court ruled in favor of the petitioners, but this decision was reversed by the Court of Appeals, causing the petitioners to appeal to the Supreme Court.

****Issues:****

1. Whether the oral agreement of partition among the heirs of Gavino Reyes in 1936 was valid and binding.
2. Whether there was an error in identifying the parcel of land sold to Dalmacio Gardiola as the same under litigation.
3. Whether the deed of extrajudicial settlement executed in 1967 by the grandchildren of Gavino Reyes altered the earlier partition made in 1936.
4. Whether the issuance of TCT No. T-27257 to Rafael Reyes, Jr., was valid despite the earlier sale of the property to Dalmacio Gardiola by Rafael Reyes, Sr.
5. Whether the action for reconveyance by the respondents was barred by prescription.

****Court's Decision:****

The Supreme Court upheld the decision of the Court of Appeals, stating that the partition among Gavino Reyes' heirs in 1936, although oral, was valid. The Court found no reversible error in the Appeals Court's decision and confirmed that the sale of the property by Rafael Reyes, Sr. to Dalmacio Gardiola was valid and made him the lawful owner, rendering the extrajudicial settlement in 1967 and subsequent issuance of TCT No. T-27257 to Rafael Reyes, Jr. ineffective towards altering ownership status of the property in question.

****Doctrine:****

The Supreme Court established or reiterated the doctrine that an oral agreement of

partition among heirs is valid and binding. Furthermore, it reinforced the principle that a co-owner may validly dispose of his share or interest in property subject to the allotment in the eventual division upon termination of the co-ownership.

****Class Notes:****

- Legal principles involved: validity of oral partition among heirs, co-ownership and disposition of shares, and the issue of prescription in action for reconveyance.
- Critical statutory provisions: Civil Code Articles on co-ownership and prescription.
- Application: Oral agreements of partition are valid; co-owners have rights to their shares which can be legally disposed of; actions for reconveyance based on implied or constructive trust prescribe in ten years.

****Historical Background:****

The case highlights the complexities and legal challenges that can emerge from inheritance and property disputes in the Philippines, especially concerning properties that transition through generations without clear formalization of titles and divisions among heirs. It underscores the enduring relevance of the property laws as codified in the Civil Code, particularly on matters of succession, co-ownership, and prescription, serving as a crucial reference for handling similar disputes in a legal and orderly manner.