

**\*\*Title:\*\*** Taina Manigque-Stone vs. Cattleya Land, Inc., et al.

**\*\*Facts:\*\***

In July 1992, Cattleya Land, Inc. (Cattleya) initiated the process to acquire properties owned by Col. Troadio Tecson and his spouse in Bohol. Among these, an 8,805 sqm property in Doljo, Panglao stood out. A Contract of Conditional Sale was executed on November 6, 1992, and a Deed of Absolute Sale followed on August 30, 1993. However, complications arose with the annotation of these deeds due to a prior writ of attachment and the refusal of the Register of Deeds to annotate without a court order. Despite the lifting of the writ, Cattleya was unable to secure the title due to purported loss in a fire—a claim later debunked.

Taina Manigque-Stone (Taina) emerged as a claimant to the property, asserting a sale by Col. Tecson to her and Mike Stone, her then-common-law husband and later spouse, initiated in 1985. Payment totalling P77,000 was made in stages until 1987, leading to the execution of a Deed of Absolute Sale in Taina's favor on June 1, 1987. Taina later secured TCT No. 21771 in her name.

Upon discovery, Cattleya sued for quieting of title, cancellation of Taina's title, and recovery of ownership. The RTC favored Cattleya, declaring it the rightful owner due to its prior registration of the sale. Taina's purported sale was nullified due to constitutional prohibition against land acquisition by foreigners, marking Mike Stone as a real buyer through Taina's dummy. The decision was upheld by the CA, with minor modifications, against which Taina filed the present petition for review.

**\*\*Issues:\*\***

1. Validity of the sale to a foreigner, cloaked by a transaction in the name of a Filipino spouse.
2. Application of double sale rules and prior registration in determining rightful ownership.
3. Constitutional limitations on land ownership by foreigners and their circumvention via marriage or representation.

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

The Supreme Court denied Taina's petition, affirming the CA's decision and reiterating the absolute constitutional prohibition against land ownership by aliens. Taina was deemed a dummy for Mike Stone, a foreign national. This setup attempted to skirt the constitutional restriction and was thus null and void. The concept of double sale under Article 1544 of the

Civil Code was deemed inapplicable because the first sale to Mike (via Taina) lacked validity. Cattleya, having conducted the first valid sale, held superior title.

**\*\*Doctrine:\*\***

The constitutional prohibition on land ownership by foreigners is absolute, barring direct or indirect attempts to circumvent this safeguard of national patrimony. Registration of property under a Filipino's name cannot legitimize what the Constitution prohibits.

**\*\*Class Notes:\*\***

- **\*\*Foreign ownership of land:\*\*** The Philippine Constitution prohibits the acquisition of land by foreigners, except in cases of hereditary succession.
- **\*\*Double Sale:\*\*** Article 1544 of the Civil Code applies only when the same property is validly sold to two or more buyers; the rule does not extend to legally non-existent transactions.
- **\*\*Dummy Agreements:\*\*** Transactions intended to circumvent constitutional or legal provisions, by placing property in a Filipino's name while actual ownership belongs to a foreigner, are null and void.

**\*\*Historical Background:\*\***

This case highlights the stringent measures in the Philippine legal system to preserve national patrimony by restricting land ownership to Filipinos, underlining the constitutional safeguard against foreign exploitation or control of the country's land resources. It illustrates the judiciary's role in interpreting and enforcing these provisions, ensuring that circumventions through marriage or nominal ownership are critically examined and addressed in light of national interests.