

**Title:**

****Manlan vs. Beltran: A Dispute Over Property Rights and Sale Validity****

**Facts:**

This case scrutinizes the conflicting property claims between Mr. and Mrs. Ernesto Manlan and Mr. and Mrs. Ricardo Beltran concerning a parcel of land in Dumaguete City. The crux is between two purchases: the Manlans' purchase of a portion of the land from one of its co-owners in 1983 and the Beltrans' subsequent purchase of the entire land from all the co-owners in 1990, which they registered.

The Regional Trial Court (RTC) favored the Beltrans, recognizing them as the rightful owners but acknowledging the Manlans as builders in good faith entitled to reimbursement. The Court of Appeals (CA) affirmed the RTC's decision. The Supreme Court was approached under Rule 45 of the Rules of Court to review these decisions.

**Issues:**

1. Applicability of the rules on double sales under Article 1544 of the New Civil Code.
2. Whether the faulty notarization of the Deed of Absolute Sale (DOAS) affects the legality of sale.
3. Whether the Manlans' counterclaim constitutes a collateral attack on the Beltrans' Torrens title.

**Court's Decision:**

The Supreme Court upheld the CA's decision, denying the petition by the Manlans for the following reasons:

1. ****On double sale:**** The Court elucidated that Article 1544 is inapplicable since the sales involved different vendors (the Orbetas for the Beltrans; Manuel Orbeta for the Manlans), not the scenario of a single vendor selling to multiple vendees.
2. ****On defective notarization:**** The Court clarified that notarization defects do not nullify the sale; they merely reduce the document to a private one, which could still validly convey property rights provided that the sale's essentials are met.
3. ****On collateral attack:**** The petitioners' counterclaim was deemed a collateral attack on the Torrens title, constituting an impermissible indirect attack on the title awarded to the Beltrans.

**Doctrine:**

The decision established or reiterated several principles:

- The rules on double sales are premised on sales by a single vendor to various vendees, which was inapplicable here.
- A notarization defect does not invalidate a transaction that effectively conveys real property rights.
- A certificate of title cannot be subject to a collateral attack; its validity can only be challenged in a direct proceeding aimed explicitly at questioning the title.

**Class Notes:**

- **Article 1544, New Civil Code:** Conditions for double sales applicability include same subject matter, valid sales, and purchases from the same vendor.
- **Validity of Sale with Defective Notarization:** A sale of real property not consigned in a public document remains binding among parties, with the defect affecting only the document's public character.
- **Collateral vs. Direct Attack:** Titles under the Torrens system cannot be undermined indirectly; challenges to title validity must occur in explicit, direct proceedings.

**Historical Background:**

This legal battle reflects the complexities of property transactions and title registrations in the Philippines, where cases of multiple sales and disputes over rightful ownership are common. The Supreme Court's decision in this case underscores the robust protections afforded to registered landowners under the Torrens system, emphasizing the importance of good faith in property dealings and the limitations on challenging registered titles.