

Title: *Vicente Torres, Jr., Carlos Velez, et al., vs. Lorenzo Lapinid and Jesus Velez*

Facts:

The dispute surrounds a parcel of land, Lot No. 4389, co-owned by Vicente V. Torres, Jr., Mariano Velez, Carlos Velez, and Jesus Velez. In 1993, Jesus Velez initiated a partition action involving several parcels of land, including Lot 4389, against the other co-owners. On August 13, 2001, a compromise agreement was made, authorizing Jesus, Mariano, and Vicente to sell the properties and distribute proceeds among all co-owners. Subsequently, this agreement was amended to exclude Jesus as an authorized seller. Later, petitioners discovered that a portion of Lot 4389 had been sold to Lorenzo Lapinid by Jesus, leading to a legal battle over the validity of this sale.

After the discovery, a forcible entry case was filed against Lapinid, which was ultimately dismissed. The petitioners then sought to nullify the deed of sale to Lapinid, claim possession and ownership, and demand rental fees and damages. The Regional Trial Court of Cebu City dismissed the complaint, a decision affirmed by the Court of Appeals.

Issues:

1. Whether a co-owner can validly sell a portion of the co-owned property without the consent of other co-owners.
2. The validity of the deed of sale executed by Jesus Velez in favor of Lapinid.
3. The effect of the compromise agreement on the sale executed before its formulation.
4. Whether rental payments should be made by Lapinid to the petitioners.
5. The petitioners' claim for attorney's fees and litigation expenses.

Court's Decision:

1. ****Validity of Sale by a Co-Owner****: The Court ruled that a co-owner has the right to alienate, assign, or mortgage his undivided share in the property, and hence, Jesus could validly sell his part to Lapinid. The Court emphasized that Lapinid legally acquired Jesus's share and became a co-owner upon the sale.
2. ****Effect of the Compromise Agreement****: The Court found that since the rights of Lapinid as a co-owner originated from the sale that was executed before the compromise agreement, the latter could not invalidate Lapinid's ownership.
3. ****Portion Sold Before Partition****: The Court held that while a co-owner should not

dispose of a concrete part of the property before partition, the sale does not turn void but only affects the seller's share. This means Lapinid essentially stepped into Jesus's shoes as a co-owner.

4. **Rental Payments**: The Court denied the petitioners' claim for rent from Lapinid, stating that as a co-owner, Lapinid had rights to the enjoyment of the property.

5. **Attorney's Fees and Litigation Expenses**: The Court found no justification in awarding attorney's fees and litigation expenses to the petitioners, adhering to the principle that these can only be recovered in specific instances outlined in the Civil Code.

Doctrine:

The Supreme Court reiterated the doctrine that a co-owner has the right to alienate, assign, or mortgage his share in co-owned property. Moreover, even if a co-owner disposes of a specific portion before partition, such a sale affects only his share and doesn't render the transaction null and void. The decision also underscored that a later agreement among co-owners cannot invalidate a prior valid sale to a third party who has become a co-owner.

Class Notes:

1. **Rights of a Co-Owner**: A co-owner can sell, mortgage, or otherwise alienate his undivided share in a co-owned property without needing the consent of his co-owners.

2. **Effect of a Sale of a Defined Portion**: Sale of a defined or concrete portion of co-owned property before partition is not void but affects only the selling co-owner's share.

3. **Impact of Compromise Agreement on Pre-existing Sale**: A compromise agreement among co-owners regarding the disposition of co-owned property does not invalidate a prior sale of a share to a third party, making them a co-owner.

4. **Non-liability for Rental Payments**: A new co-owner through a valid sale is not liable to pay rent to the other co-owners for the use of the co-owned property.

5. **Attorney's Fees and Litigation Expenses**: Such fees and expenses are recoverable only in specific, outlined instances in the Civil Code, and not merely because a party believes they have a valid reason to litigate.

Historical Background:

This case illustrates the complexities of co-ownership and the alienation of undivided interests in property law in the Philippines. It aligns with the civil tradition of allowing broad freedom to property owners to dispose of their interests while protecting the rights of other owners.