

Title: Extraordinary Development Corporation vs. Herminia F. Samson-Bico and Ely B. Flestado

Facts:

The case involves a parcel of land owned by Apolonio Ballesteros and Maria Membrebe in Barangay Pantok, Binangonan, Rizal. Upon their deaths, the property passed to their children, Juan M. Ballesteros and Irene Ballesteros, making their respective heirs co-owners. On April 16, 2002, without the consent of Irene's heirs, Juan's heirs sold the property to Extraordinary Development Corporation (EDC) for P2,974,800.00. Herminia B. Samson-Bico and Ely B. Flestado (respondents), heirs of Irene, contested the sale upon learning of it and informed EDC about the co-ownership.

EDC registered the sale, transferring the tax declaration to its name. Respondents then filed a Complaint for Annulment of Contract and Tax Declaration, and Reconveyance of Possession with Damages. EDC and Juan's heirs maintained their positions, asserting either good faith purchase or involvement of respondents in the transaction. Due to various procedural complications, including failures of appearance by defendants' counsel, the case was eventually submitted for resolution without the defendants' evidence being presented.

The RTC ruled in favor of the respondents, declaring the sale null and void concerning one-half of the property, ordered reconveyance of that half to the respondents, and awarded damages. EDC appealed, but the Court of Appeals affirmed with modification, notably removing the damages award and ordering the return of half the purchase price to EDC due to the valid sale of the other half of the property.

Issues:

1. Whether the heirs of Irene Ballesteros (respondents) proved their co-ownership of the subject property.
2. Whether the Deed of Absolute Sale in favor of EDC is valid.
3. Whether EDC was an innocent purchaser for value, and in good faith.
4. Whether the denial of the opportunity to present evidence to EDC constituted a denial of due process.

Court's Decision:

The Supreme Court denied EDC's petition and affirmed the Court of Appeals' decision in totality.

1. Co-ownership by the respondents was established through testimony and judicial

admissions made by Juan's heirs, affirming the respondents' successional rights over the property.

2. The Deed of Absolute Sale was valid to the extent it transferred the rights of Juan's heirs (one-half interest of the property) to EDC, making EDC a co-owner thereof.

3. EDC was not considered a buyer in good faith because the property was unregistered land and good faith is not a defense in these circumstances. Moreover, it was aware of the co-ownership issue as raised by respondents before completing the transaction.

4. The Court ruled that EDC was not denied due process as it was given multiple opportunities to present its case but failed to do so due to its counsel's absence.

#### Doctrine:

- The essence of due process in civil litigation is the opportunity to be heard. A party that has been afforded this opportunity but fails to utilize it cannot claim a denial of due process.
- In a contract of sale involving co-owned property, the sale by a co-owner is valid only as to his/her portion, unless all co-owners consent to the sale of the whole property.

#### Class Notes:

1. Judicial Admission: Statements made by a party during the course of proceedings that do not require proof and cannot be contradicted unless made through palpable mistake. (Sec. 4, Rule 129, Revised Rules of Court)
2. Co-Ownership and Sale: A co-owner's sale of his/her undivided share in a property doesn't require the consent of other co-owners and is valid to the extent of his/her share (Art. 493, Civil Code).
3. Good Faith: The defense of being a buyer in good faith applies primarily to purchasers of registered land, who rely on the title of the registered owner.

#### Historical Background:

This case illustrates the complexities of transactions involving property co-owned as a result of inheritance under Philippine law, highlighting issues of consent among co-owners and the rights of purchasers. It underscores the significance of establishing good faith in property transactions, particularly the reliance on representations regarding ownership and the importance of verifying claims of co-ownership, especially for unregistered properties.