

**\*\*Title:\*\*** Modina vs. Court of Appeals: A Case of Void and Inexistent Sales between Spouses and to a Third Party

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

Serafin Modina filed a Complaint for Recovery of Possession with Damages against Ernesto Hontarciego, Paul Figueroa, and Teodoro Hipalla in the Regional Trial Court (RTC) of Iloilo City, docketed as Civil Case No. 13935. Merlinda Plana Chiang, intervening in the case, asserted that the Deed of Sale between her and her husband Ramon Chiang, as well as the subsequent sales to Modina, were void. Merlinda argued these sales were fabricated by her husband to unlawfully transfer the properties to his name, then to Modina. The subject properties were part of the estate of Merlinda's late husband, Nelson Plana, sold per a court order in the estate's probate proceedings where Merlinda served as administratrix. The trial court found the sales invalid, a decision affirmed by the Court of Appeals.

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

1. Was the sale between Merlinda Plana Chiang and Ramon Chiang, and subsequently to Serafin Modina, nullifiable?
2. Was Modina considered a purchaser in good faith?
3. Did the trial court's decision exceed its jurisdiction?
4. Should only three-fourths of the subject properties be returned to Merlinda Plana Chiang?

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

The Supreme Court denied Modina's petition, agreeing with the lower courts' decision that the sales were void. The Court clarified that under Article 1490 of the New Civil Code, sales between spouses are prohibited, rendering the sale from Merlinda to Ramon void. Consequently, Ramon had no valid title to transfer to Modina. The Court also ruled that Modina was not a purchaser in good faith, noting his awareness of questionable aspects of the property's history. The appeal to reassess the agreement under the Order to Sell from the probate court was also rebuffed, as challenges to such orders do not prevent subsequent disputes over title from being adjudicated in regular courts. Finally, Modina's attempt to revisit the division of property at the Supreme Court level was rejected due to procedural laws that bar raising unlitigated issues on appeal.

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

The main doctrines revisited and reinforced in the case include:

1. The prohibition of sales between spouses under Article 1490 of the New Civil Code, to

prevent collusion and fraud in transactions that could affect marital property rights.

2. The principle that a contract void ab initio for being against the law cannot confer rights or impose obligations.
3. The principle that a buyer in bad faith or with knowledge of a defect in the seller's title cannot be considered a purchaser in good faith.

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

- **\*\*Article 1490\*\***, NCC: Prohibits sales between spouses unless exceptions apply, guarding against conflicts of interest and fraud.
- **\*\*Inexistent Contracts\*\***: Contracts without consideration or with illegal purposes are void and produce no effect.
- **\*\*Purchaser in Good Faith\*\***: Must buy property without notice of any lien or claim on it by another and for a full and fair price.

**\*\*Historical Background:\*\*** This case highlights the application of legal principles to protect marital property and prevent fraudulent transactions. It underscores the significance of investigating a property's history and rightful ownership before transacting, illustrating the strict adherence to the principles safeguarding marriage and property laws in the Philippines.