

**\*\*Title:\*\*** Mariquita Macapagal vs. Catalina O. Remorin, Corazon Caluza-Bamrungcheep, and Laurelia Caluza-Valenciano

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

The case revolves around a dispute over the ownership and sale of a 105-square meter parcel of land located at No. 7, Serrano Laktaw Street, Galas, Quezon City (Lot 5). This lot, along with Lot 4, was part of a larger parcel initially owned by Candido Caluza, who passed away in 1981. Following his death, a deed of extrajudicial settlement divided his estate between Corazon Caluza-Bamrungcheep, his legally adopted daughter, and Purificacion Arce-Caluzo, his widow, with the lots in question going to Corazon.

However, while Corazon was overseas, Purificacion fraudulently claimed sole ownership over the lots, sold them to Catalina Remorin, who then mortgaged them. Corazon, upon discovering this, filed a complaint for reconveyance and damages against Purificacion and Catalina, which led to various legal actions including the execution of a deed of transfer returning the lots to Corazon, the registration of a new title in Corazon's name, and eventually a court-approved compromise agreement attempting to settle the dispute among the parties involved.

Mariquita Macapagal entered the scene when she bought the disputed Lot 5 from Catalina, despite Corazon having previously sold the same lot to Laurelia Caluza-Valenciano. This resulted in conflicting claims over the lot, leading Macapagal to file a complaint seeking to nullify Corazon's sale to Laurelia and validate her own purchase.

The Regional Trial Court ruled in favor of Macapagal, but this decision was reversed by the Court of Appeals, leading to Macapagal's petition for review to the Supreme Court.

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

1. Whether Catalina had the authority to sell Lot 5 to Macapagal.
2. Whether the Compromise Agreement effectively transferred the authority to sell Lot 5 from Corazon to Catalina.
3. Whether Macapagal qualifies as a buyer in good faith.
4. The validity and enforceability of the sales transactions in question.

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

The Supreme Court denied Macapagal's petition, affirming the decision of the Court of Appeals. It held that Corazon, as the registered owner of the property at the time of the sale, retained the authority to sell Lot 5. The Compromise Agreement did not transfer this

authority to Catalina. Moreover, Macapagal could not be considered a buyer in good faith since she purchased the property from someone who wasn't the registered owner. Since Corazon sold the property to Laurelia first and Laurelia recorded this sale, Laurelia's claim to the property was upheld. The Court further clarified that inaccuracies in the stated consideration of the sale do not nullify the sale but may subject it to reformation.

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

The principles reiterated in this case include:

- The authority to sell a property must be expressed in clear and unmistakable language.
- A compromise agreement determines the rights of the parties involved and cannot favor or prejudice a third person not party to the agreement.
- In cases of double sales, ownership is granted to the first purchaser who records the sale in good faith.

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

- Authority to Sell: Must be explicit and cannot be inferred from ambiguous language or circumstances.
- Compromise Agreement: Binds only those who are parties to it; cannot extend rights or obligations to third parties.
- Good Faith in Purchases: Buying from the registered owner is crucial in establishing one's status as a buyer in good faith.
- Double Sales: Priority is given to the buyer who first registers the sale in good faith.
- Sale Consideration: Inaccuracies regarding the sale consideration do not void the sale, which remains subject to reformation to reflect the true intention of the parties.

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

This case underscores the complexities and legal repercussions of property disputes, especially when involving fraudulent transactions and multiple sales of the same property. It highlights the importance of proper registration and the adherence to legal formalities in transactions involving real property to prevent disputes and litigation.