

****Title**:** *Rev. Fr. Dante Martinez vs. Honorable Court of Appeals et al.*

****Facts**:**

In February 1981, Rev. Fr. Dante Martinez entered an oral contract for the purchase of a lot in Villa Fe Subdivision, Cabanatuan City, from Godofredo De la Paz and Manuela De la Paz for P15,000. Construction of a house commenced in April 1981, and by October 1981, was completed. Despite full payment and two documents suggesting a commitment to provide a deed of sale, the De la Pazes did not convey title to Fr. Martinez. Meanwhile, the De la Paz siblings had earlier (October 1981) sold the same lot, among others, to the Spouses Veneracion with a right to repurchase, which was not exercised; eventually, the lot was definitively sold to the Veneracions in June 1983.

Fr. Martinez discovered the Veneracions' claim to ownership in 1986, leading to legal battles. The Municipal Trial Court (MTC) ruled in favor of Fr. Martinez, finding him to be a possessor in good faith, but did not award damages as requested due to jurisdictional limits on the amount. The Veneracions appealed but did not pay the appellate docket fee immediately. Fr. Martinez also sought the RTC's enforcement of the MTC's judgment, which was denied. Concurrently, Fr. Martinez filed another case against the Veneracions and De la Pazes for annulment of sale and damages with another Branch of the RTC.

The RTC ruled in favor of the Veneracions based on their having registered the property first in good faith. The case merged with Martinez's appeal from the MTC and annulment case was decided similarly. The Court of Appeals affirmed these decisions.

****Issues**:**

1. Whether or not the Veneracions were buyers in good faith, hence the rightful owners under Art. 1544 of the Civil Code concerning double sales.
2. Whether the appellate docket fee payment timing affects the appeal's validity from the MTC to the RTC.
3. Whether the Court of Appeals' resolution denying reconsideration violated the Constitution by not stating legal reasons.

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

1. The Supreme Court found that the Veneracions were not buyers in good faith. It highlighted that the existence of the construction on the lot should have prompted inquiries about Fr. Martinez's rights. Additionally, the first sale to Veneracions was determined to be an equitable mortgage rather than a final sale, with actual ownership being decided by the

second sale, at which point Veneracion was aware of Martinez's possession.

2. On the appellate docket fee issue, the Court clarified that appellate docket fees, while generally mandatory for jurisdiction, were not a formal requirement per se for the appeal from MTC to RTC, under the rules then in effect.

3. Regarding the resolution of denial for reconsideration by the Court of Appeals, the Supreme Court found it complied with constitutional requirements as it indicated its basis by stating that the motion presented nothing new.

****Doctrine**:**

- Art. 1544 of the Civil Code regarding double sales mandates both good faith purchase and good faith registration for property ownership rights in case of conflicting sales.
- Payment of appellate docket fees, while essential, must be considered in light of prevailing rules and procedures regarding appeals.
- A resolution denying reconsideration must state its legal reasoning, but reaffirmation of an earlier decision on the grounds of "nothing new" being presented satisfies this requirement.

****Class Notes**:**

1. ****Double Sale (Art. 1544, Civil Code)**:** Ownership depends on (1) good faith acquisition, (2) registration in good faith (first registrant prevails), or (3) in default thereof, by the first possessor in good faith.
2. ****Appeals Process**:** Timeliness of notice of appeal and compliance with procedural requirements are crucial. While appellate docket fees are mandatory, specific rules may provide exceptions or interpretive nuances.
3. ****Motion for Reconsideration**:** Must specifically state legal and factual bases for reconsideration; however, a resolution that reiterates the decision's findings without presenting new arguments can satisfy constitutional requirements.

****Historical Background**:**

This case exemplifies the complexities of property law in the Philippines, particularly concerning double sales and the doctrine of good faith. It underscores the importance of due diligence in property transactions and the intricate procedural dynamics within the Philippine judicial system.