

Title: Heirs of Soledad Alido vs. Flora Campano, or Her Representatives and the Register of Deeds, Province of Iloilo

Facts:

- On March 17, 1975, Soledad Alido (Alido) registered a parcel of land in Barangay Abang-Abang, Alimodian, Iloilo under Original Certificate of Title (OCT) No. F-16558.
- In 1978, Flora Campano (respondent) allegedly took possession of the land and the owner's duplicate of OCT No. F-16558, paid its realty taxes, claiming Alido sold the property to her orally.
- Alido died on September 18, 1996, leaving her children (petitioners).
- On September 8, 2009, the heirs executed a Deed of Adjudication and sought to register the property in their names. They needed the duplicate title, which Campano refused to surrender.
- Thus, petitioners filed a verified petition before the Regional Trial Court (RTC) for respondent to surrender the owner's duplicate of the title.

Procedural Posture:

- **RTC Decision (September 24, 2012):** The RTC ordered Campano to surrender the owner's duplicate of OCT No. F-16558. It held that Alido was the registered owner, and the supposed oral sale did not constitute a valid sale as it was not in a public instrument.
- **Court of Appeals Decision (January 20, 2016):** The CA reversed the RTC decision, stating that the oral sale was valid and executed. However, it declared the sale void for violating the five-year restriction on alienation of lands acquired via free patent.
- **Petitioners' Motion for Reconsideration:** Denied by the CA on May 31, 2016.
- **Supreme Court Petition for Review on Certiorari:** Petitioners contended the sale was invalid as it lacked a written document, and laches should not apply to ownership derived from a Torrens title.

Issues:

1. Whether there was a valid sale of real property between Alido and respondent.
2. Whether petitioners' action was barred by laches.

Court's Decision:

1. **Validity of the Oral Sale:**

- **Supreme Court Ruling:** Held that an oral sale of real property is not void but may be unenforceable under the Statute of Frauds, which applies only to executory, not executed, contracts.

- **Application of Doctrine:** The oral sale between Alido and respondent was executed, as evidenced by respondent's possession and payment of realty taxes.

2. **Five-Year Restriction Violation:**

- **Analysis:** The sale in 1978 violated the five-year restriction on alienating lands acquired through a free patent, rendering the sale void.

- **In Pari Delicto Doctrine:** Although generally applicable, public policy necessitates that the prohibition on alienation must be upheld, allowing the grantee's heirs to reclaim the land.

3. **Laches:**

- **Doctrine Application:** Actions to declare a void contract are imprescriptible. Thus, laches cannot bar the petitioners' right to challenge the sale.

Doctrine:

- **Indefeasibility of Torrens Title:** A Torrens Title is indefeasible but cannot protect against claims arising from void contracts under specific statutory limitations.

- **Statute of Frauds:** Validity of oral sale of land when executed, requiring written contracts only for executory agreements.

- **In Pari Delicto:** Not applicable when enforcement contravenes public policy, especially concerning land grants under special laws like free patents.

- **Laches:** Inapplicable to void contracts under equity, and statutory law dictates imprescriptible actions for void contracts.

Class Notes:

- **Contract of Sale Requirements (Art. 1358, Civil Code):** Requires public instrument form for sale of real property, affecting enforceability not validity.

- **Statute of Frauds (Art. 1403(2), Civil Code):** Executory sales of real property must be written, but executed oral sales are valid among parties.

- **Five-Year Restriction (Public Land Act):** Prohibits alienation of land acquired through free patent within five years.

- **In Pari Delicto (Art. 1412(1), Civil Code):** Parties in equal fault in a void contract may not claim recovery unless public policy dictates otherwise (Art. 1416, Civil Code).

- **Laches:** Cannot prevail over laws providing imprescriptibility for actions challenging void contracts.

Historical Background:

- The case reflects the ongoing issues with land registration and alienation laws in the Philippines, highlighting the conflict between property rights under the Torrens system and statutory limitations on transferring public lands acquired via special grants (e.g., free patent).
- Context rooted in protection of land grantees under public land acts designed to prevent the premature alienation of lands intended for home and cultivation by indigent citizens.