

Case Brief: Spouses Emma H. Ver Reyes and Ramon Reyes vs. Dominador Salvador, Sr., et al., and Maria Q. Cristobal and Dulos Realty & Development Corporation vs. Dominador Salvador, Sr., et al.

Title:

Spouses Ver Reyes vs. Bondoc et al. - Philippine Supreme Court Decision on Unregistered Land Sales

Facts:

In this case, several parties laid claim to a parcel of unregistered land located in Tungtong, Las Piñas, designated as Lot 1 of Plan Psu-205035 (19,545 square meters). This land originated from Domingo Lozada and was initially held in the names of his descendants.

- **In 1965**, Nicomedes Lozada, Domingo's son, executed a Deed of Conditional Sale over the subject property to Emma Ver Reyes.

- Terms included installment payments, and the property was to remain in Nicomedes's ownership until the full payment.

- The sale was registered in the Registry of Property for Unregistered Lands in August 1965. Emma paid only the first installment.

- **In 1968**, Nicomedes entered a similar Agreement of Purchase and Sale with Rosario Bondoc.

- Similar payment terms as the sale to Emma.

- Agreement was registered on March 10, 1969.

- Rosario occupied, fenced, and paid taxes on the property.

- **In 1969**, a portion of the property was sold absolutely to Maria Q. Cristobal without conditions against full payment.

- Deed was registered posthumously after Nicomedes's death in 1972.

- **In 1980**, Nicomedes's heirs sold the remaining property to Dulos Realty and Development Corporation.

- Deed was not registered.

Procedural Posture:

- **1966-1975:** Series of applications and oppositions for land registration and ownership among heirs and claimants.

- Regional Trial Court (RTC) originally decided in favor of Maria and Dulos Realty based on

the Deed of Absolute Sale and registration.

- Court of Appeals reversed the RTC decision, favoring Rosario Bondoc due to her earlier registration and improvements on the property.
- RTC and CA decisions led the parties to seek final resolution in the Supreme Court.

Issues:

1. **Validity and transfer of ownership to Emma Ver Reyes.**
2. **Bad faith on the part of Maria Cristobal and Dulos Realty.**
3. **Whether Emma and Ramon are barred by prescription or laches.**
4. **Propriety of confirming Rosario Bondoc's title.**
5. **The registrability of Emma, Rosario's contracts versus Maria and Dulos Realty's contracts.**
6. **Laches/Prescription and Res Judicata as defenses.**

Court's Decision:

The Supreme Court found that neither Emma's nor Rosario's initial contracts constituted a complete and enforceable transfer of ownership due to unfulfilled suspensive conditions (full payment).

1. **Emma and Rosario's Contracts:** Declared as contracts to sell, not meeting conditions to transfer ownership.
 - **Emma's Deed of Conditional Sale:** Ownership not transferred pending full payment.
 - **Rosario's Agreement:** Similar constraints; no full ownership due to non-payment.
2. **Maria and Dulos Realty's Absolute Sale Contracts:** Valid and registrable titles.
 - Full consideration paid and clear contractual terms.
3. **On Better Rights:** Registrable rights of Maria and Dulos Realty superseded Rosario and Emma's interests.
4. **Constructive Delivery and Possession Faith Claims:** Not substantiated adequately by Emma and Rosario.

The Supreme Court:

- **Denied Emma and Ramon Reyes' petition.**
- **Granted Maria Cristobal and Dulos Realty's petition.**
- **Reinstated the RTC's decision favoring Maria Cristobal and Dulos Realty's title.**

Doctrine:

- **Contracts to Sell:** Require fulfillment of suspensive conditions (i.e., full payment) before property ownership transfers.

- **Registration under Act No. 3344:** Without prejudice to third parties with better rights.
- **Constructive Delivery:** Requires clear indications/intent beyond mere documentation in a public instrument.

Class Notes:

- **Contract to Sell vs. Contract of Sale:** Essentials distinguishing contracts and ownership transfer conditions.
- Under a contract to sell, ownership transfer is contingent upon complete payment.
- Registration of unfulfilled contracts does not convey superior title compared to fulfilled absolute sales.
- **Act No. 3344:** Pertaining to the unregistered property and rights better than merely registered interest.
- **Doctrine of Laches and Prescription:** Timeliness and diligence in asserting property rights are critical.
- **Constructive Delivery:** Practical versus symbolic actions given weight in property claims.

Historical Background:

- **Land Registration System:** Evolved from reliance on unregistered land documents, highlighting complications in property disputes pre-Torrens system.
- **Domingo Lozada's Estate:** Example of extended litigation over hereditary and sale transactions involving unregistered agricultural lands in Metro Manila's evolving urban context.