

Title: Silawan et al. vs. Dy et al., Supreme Court of the Philippines

Facts:

The case revolves around a property, Lot No. 4277, consisting of 5,327 square meters in Lapu-Lapu City, originally owned by Sixto Silawan and Marcosa Igoy. Sixto and Marcosa had only one child, Roberta Silawan (one of the petitioners).

Timeline of Property Transfers:

- March 31, 1965**: Sixto sold the entire Lot No. 4277 to Severino Silawan.
- May 7, 1965**: Severino sold half (2,663.5 sqm) to Isnani Maut and Lily Silawan.
- September 16, 1966**: Isnani and Lily sold their portion to Filomeno Augusto and Lourdes Igot.
- November 25, 1989**: Filomeno and Lourdes sold their 2,363 sqm portion to Antonio C. Dy and 300 sqm to Nicomedes Augusto.

Discovery and Legal Action:

- 2002**: Antonio, while securing a title, found Transfer Certificates of Title (TCTs) issued in the names of Roberta, Nicomedes Augusto, Gomercindo Jimenez, and Marcelino Paquibot.
- Antonio suspected fraud due to an earlier sale by Sixto and filed a Complaint for Declaration of Nullity of Deeds, Titles, Tax Declaration with Partition and/or Recovery of Shares against the petitioners.

Procedural History:

- Pre-Trial**: Petitioners' counsel did not attend, leading to a default declaration.
- RTC**: Declared null and void the Extrajudicial Settlement by Roberta, the related documents, and ordered the partition to be redone.
- Court of Appeals**: Affirmed RTC's decision.
- Supreme Court**: Petitioners raised the default declaration and the validity of their titles.

Issues:

- Whether the RTC erred in declaring the petitioners in default and allowing ex parte presentation of evidence.
- The legality of the cancellation of petitioners' TCTs.

Court's Decision:

- Default Declaration**:
 - The RTC followed the rules as petitioners did not attend the pre-trial conference without

justifiable cause. Losing the calendar was seen as carelessness.

- Consequently, the petitioners lost their right to present evidence.

2. **Validity of Sales and Title Cancellations**:

- **Conjugal Property**: The property was a conjugal asset of Sixto and Marcosa. Upon Marcosa's death, the property was co-owned by Sixto and Roberta (1/2 to Sixto and 1/2 to Roberta).

- **Sixto's Sale to Severino**: Valid up to Sixto's 3/4 share.

- **Severino's Transactions**: Valid only for 3/4, remaining 1/4 is invalid.

- **Subsequent Transactions**: All valid up to the extents aligning with the legitimate stake of Severino.

- **Mariano's Sales**: Partly invalid as Severino had exhausted his share; sales by Mariano of previously sold segments invalidated.

- **Roberta's Extrajudicial Settlement**: Invalid, as it included the entirety of the property which she could not claim as she was entitled only to 1/4.

Doctrine:

- **Conjugal Partnership**: Property by spouses is shared equally unless specified otherwise.

- **Nemo Dat Quod Non Habet**: One cannot sell what they do not own.

- **Co-ownership sales**: Sale affects only the seller's undivided share and not that of other co-owners.

- **Pre-Trial Attendance**: Mandatory and vital for case simplification and resolution.

Class Notes:

Key elements from this case include:

- **Conjugal Property**: Understand how property is divided upon death.

- **Co-ownership**: Each co-owner can sell only their share.

- **Pre-trial Appearance**: Importance and potential consequences of non-attendance.

- **Doctrine of Good Faith**: Buyers must verify ownership and registration.

Historical Context:

This case is set against the backdrop of Philippine property law and succession practices. It reflects the legal intricacies of familial inheritance, conjugal properties, and the importance of adhering to procedural rules in litigation. The decision reiterates long-standing doctrines and emphasizes procedural conduct conducive to judicial efficiency.