

Title: Genaro Navera and Emma Amador vs. Court of Appeals, Arsenio Nares, and Felix Nares (263 Phil. 526)

Facts:

- Historical Donation (1916):** Leocadio Navera donated a piece of land in Caguiba, Camalig, Albay to Fausto Mustar, related to the marriage of Leocadio's son Mariano to Restituta Mustar.
- Registration of Lot (1927):** Original Certificate of Title No. RO-154(NA) was issued in the name of "Elena Navera, et al." covering Lot 1460, containing 26,995 square meters.
- Death and Transfer (1947):** Eduarda Navera sold half of Lot 1460 to her nephew Arsenio Nares, covering 13,495 square meters.
- Double Sale (1948):** Eduarda Navera sold a portion of 50 x 59 meters of Lot 1460 to Mariano Navera, which amounted to a double sale as this lot was part of the land already sold to Arsenio.
- Subsequent Sales:**
 - 1953:** Arsenio Nares sold a portion of Lot 1460 (5,726 square meters) to Perpetua Dacillo.
 - 1955:** Mariano Navera sold the lot from the 1948 sale to Serapio Mustar.
 - 1956:** Sale to Serapio Mustar was supplemented, correcting the area.
 - 1959:** Serapio Mustar sold Lot 1460 to petitioner Genaro Navera (19,969 square meters).
- Sales Not Registered:** None of these sales were annotated on the Original Certificate of Title.
- Lawsuit Initiated (1971):** Arsenio Nares and Felix Nares filed a complaint in the Court of First Instance of Albay to claim ownership and possession of Lot 1460, alleging sham transactions by Mariano Navera.
- Trial Court Ruling (1978):** Declared Arsenio and Felix Nares owners of Lot 1460 except for 5,726 square meters sold to Navera.
- Appeals Court Ruling (1980):** Affirmed the trial court's decision.

10. **Petition Filed:** Genaro Navera and Emma Amador filed a petition for review, alleging errors by the Court of Appeals.

Issues:

1. **Acquisitive Prescription:** Whether the petitioners acquired ownership of Lot 1460 through acquisitive prescription based on long-term possession.
2. **Rule of Actual Knowledge:** Whether actual knowledge can substitute for formal registration in ownership claims.
3. **Good Faith:** Whether the petitioners or respondents were in bad faith regarding the contested sales and ownership.

Court's Decision:

1. **Acquisitive Prescription:**
 - The Court ruled that the petitioners could not claim acquisitive prescription as a defense since it was not specially pleaded in their answer.
 - Even if pleaded, there was insufficient proof to establish the essential elements of acquisitive prescription (either ordinary or extraordinary).
2. **Rule of Actual Knowledge:**
 - The Court found that the alleged donation by Leocadio Navera in 1916 was not properly recorded or transferred by a public instrument.
 - Therefore, the previous knowledge claimed by the petitioners did not hold any legal weight in claiming ownership.
3. **Good Faith:**
 - The prior sale to Arsenio Nares was made through a public instrument and thus considered valid.
 - The second sale to Mariano Navera did not transfer any rights as Eduarda Navera had already sold her portion.
 - Petitioners were deemed possessors in bad faith, corroborated by actions showing awareness of the disputed land's contested ownership.

Doctrine:

1. **Double Sale Doctrine - Article 1544, Civil Code:**

- Ownership of immovable property shall belong to the person who, in good faith, first recorded it in the Registry of Property. If not recorded, it shall belong to the person who, in good faith, was first in possession. In the absence of possession, ownership pertains to the person who holds the oldest title.
- Symbolic possession acquired through a public instrument effectively awards ownership over subsequent material possession by another party.

2. **Prescription Defense:**

- Prescription must be expressly pleaded and proved with certainty.
- Possession must be in the concept of an owner, public, peaceful, and uninterrupted.

Class Notes:

- **Acquisitive Prescription:** Requires statutory possession durations, proof of good faith or adverse possession.
- **Double Sale Doctrine:** Priority given to registration in public records or first possession in good faith.
- **Possession in Good Faith:** Defined under Article 526 of NCC; flawed title knowledge implies bad faith.
- **Inheritance and Ownership Rights:** Prioritize compulsory heirs and explicit property transfers over presumed claims.

Historical Background:

- **Land Titling and Registration:** Reflect the period's emphasis on formal land registration and documentation to solidify ownership claims.
- **Family Land Disputes:** Illustrate common real estate issues in post-colonial Philippines, involving inheritance and multiple sales without proper registration.