Title:

Bucton vs. Gabar, 154 Phil. 447 (1974)

Facts:

- **Initial Purchase and Agreement (1946-1948):**
- 1. In 1946, plaintiff Nicanora Gabar Bucton verbally agreed with her sister-in-law, defendant Josefina Llamoso Gabar, that she would buy half of a land for P1,500.
- 2. Josefina bought the land from the Villarin spouses for P3,000.
- 3. Nicanora paid P1,000 on January 19, 1946, evidenced by Exhibit A, and P400 on May 2, 1948, evidenced by Exhibit B.
- **Possession and Improvements (1946-1969):**
- 4. Plaintiffs took possession of half the land and constructed a nipa house and a rental building.
- 5. In January 1947, Villarin spouses executed a deed of sale to Josefina, who obtained TCT No. II on June 20, 1947.
- 6. Plaintiffs consistently enjoyed possession, making various improvements, including replacing the nipa house with a sturdier structure and renting its units.
- **Conflict and Legal Actions (1947-1969):**
- 7. Plaintiffs sought a separate title but defendants refused, claiming the land was mortgaged to PNB.
- 8. They employed two attorneys, Bonifacio Regalado and Aquilino Pimentel, Jr., to negotiate unsuccessfully for the title transfer, leading to litigation.
- **Loan and Further Evidence (1951):**
- 9. In July 1951, plaintiffs loaned P1,000 to defendants, evidenced by Exhibit E.
- **Trial and Court of Appeals (1968-1973):**
- 10. Plaintiffs filed a complaint on February 15, 1968, for specific performance to force the conveyance of land.
- 11. Trial court ruled in favor of plaintiffs on February 14, 1970, ordering the conveyance of land and attorney's fees.
- 12. Defendants appealed to the Court of Appeals, which reversed the trial court's decision on January 10, 1973, claiming the action had prescribed (Article 1144 Civil Code, 10-year period).

Issues:

- 1. Whether the action to compel the execution of a deed of sale had prescribed.
- 2. Whether plaintiffs had established ownership and the right to a formal conveyance of the property.

Court's Decision:

- 1. **Prescription Issue:**
- **Resolution:** The Supreme Court held that the action did not prescribe, determining that the real basis for the petitioners' action was not merely the receipt (Exhibit A) but their continuous possession and ownership of the property. As the sale was consummated by possession, the action was imprescriptible, aligning with the doctrines explained in *Sapto vs. Fabiana*.
- **Legal Rationale:** Actions to quiet title, when the plaintiff is in possession, are imprescriptible as per Article 480 of the Civil Code and prevailing American jurisprudence made applicable in the Philippines. Thus, possession under claim of ownership grants a continuing right to seek judicial clarification or conveyance.

2. **Ownership and Conveyance:**

- **Resolution:** The Supreme Court affirmed petitioners' ownership of one-half of the land by virtue of the sale made in 1946 and their continuous possession, thus reviving the trial court's order for defendants to execute the deed of conveyance.
- **Legal Rationale:** The sale, although not in public instrument form, was valid inter partes. According to Article 1434 of the Civil Code, the title acquired later by the seller (Josefina) transferred by operation of law to the plaintiffs.

Doctrine:

- 1. **Imprescriptibility of Actions to Quiet Title:** Actions to quiet title are generally imprescriptible as long as the plaintiff or their predecessors remain in possession of the property, maintaining an ongoing claim of ownership.
- 2. **Verbal Contracts of Sale of Real Property:** Verbal contracts for the sale of real estate can be valid and binding if proven by documentary and parol evidence.
- 3. **Article 1434 of the Civil Code:** Title passes by operation of law to the buyer if a seller who was not the owner at the time of sale later acquires title.

Class Notes:

1. **Imprescriptibility (Quiet Title):** Under Philippine jurisdiction, as influenced by Article 480 Civil Code and US jurisprudence, actions to quiet title are not subject to the statute of limitations while the plaintiff retains possession.

- 2. **Verbal Sale Contracts Validity:** Per prevailing stipulations, verbal agreements for real estate transactions, although informal, are enforceable provided possession and consistent conduct reflect ownership.
- 3. **Legal Framework for Title Transfer:** Article 1434 codifies that subsequent acquisition of title by a seller validates and automatically conveys ownership to the buyer.

Relevant Statutes:

- **Article 1144 Civil Code: ** On prescription of actions based on written contracts.
- **Article 1434 Civil Code: ** Title acquired later passes by operation of law to the buyer.

Historical Background:

The case of *Bucton vs. Gabar* emerged from post-World War II Philippines, a period marked by significant rebuilding and rehabilitation efforts. Ownership conflicts often arose from verbal agreements and informal transactions typical of that era's post-war economic conditions. Rapid changes in land ownership and urbanization in provinces like Misamis Oriental presented unique legal challenges that were less documented and formalized, thus creating a legal landscape where long-term possession and subsequent legal clarifications became pivotal. The judiciary often had to adapt and reaffirm doctrines on ownership rights peppered by these peculiar transaction dynamics, influencing property law development in modern Philippine context.