

**\*\*Title:\*\***

Celso R. Halili and Arthur R. Halili vs. Court of Appeals, Helen Meyers Guzman, David Rey Guzman, and Emiliano Cataniag

**\*\*Facts:\*\***

- **\*\*1968:\*\*** Simeon de Guzman, an American citizen, died, leaving real properties in the Philippines to his widow, Helen Meyers Guzman, and their son, David Rey Guzman, both also American citizens.
- **\*\*August 9, 1989:\*\*** Helen executed a deed of quitclaim, transferring her rights and interests in six parcels of land, including an urban lot in Bagbaguin, Sta. Maria, Bulacan, to her son, David Rey Guzman.
- **\*\*Registration:\*\*** The quitclaim was registered, resulting in a new Transfer Certificate of Title (TCT No. T-120259) in David Rey Guzman's name.
- **\*\*February 5, 1991:\*\*** David Rey Guzman sold the land to Emiliano Cataniag, upon which the title was again transferred (TCT No. T-130721(M)).
- **\*\*Petitioners:\*\*** Celso R. Halili and Arthur R. Halili, owners of an adjoining lot, filed a complaint before the Regional Trial Court (RTC) of Malolos, Bulacan. They challenged the constitutionality of the land transfers and claimed ownership based on legal redemption rights under Article 1621 of the Civil Code.
- **\*\*RTC Decision (March 10, 1992):\*\*** The court dismissed the complaint, ruling that the waiver by Helen Guzman favored legal property disposal. It determined the land to be urban, thus negating the petitioners' claims under Article 1621.
- **\*\*Appeal:\*\*** The Halilis appealed to the Court of Appeals (CA), which upheld the RTC's decision and affirmed the property's urban status, rendering the award of redemption unnecessary.
- **\*\*Supreme Court:\*\*** The Halilis petitioned the Supreme Court under Rule 45.

**\*\*Issues:\*\***

1. Whether the land in question is urban or rural.
2. Whether petitioners have a right of redemption under Article 1621 of the Civil Code.
3. Whether the conveyance from Helen Meyers Guzman to David Rey Guzman should be declared null and void for being unconstitutional.

**\*\*Court's Decision:\*\***

The Supreme Court resolved each issue as follows:

1. **\*\*Urban Land Determination:\*\***

- The trial court and Court of Appeals' factual finding that the land is urban is binding upon the Supreme Court. The evidence reflected that the land was in a commercial zone, corroborated by the Land Regulatory Board's classification and the surrounding establishments.

2. **No Right of Redemption:**

- Article 1621 of the Civil Code applies only to rural lands. Given both properties' urban status, petitioners' invocation of this right was invalid. The provision's purpose, aimed at agricultural development, was irrelevant in this context.

3. **Validity of Sale to Emiliano Cataniag:**

- The deed of quitclaim executed by Helen Guzman to her son David Rey Guzman was constitutionally infirm since only Filipinos are qualified to own land. Nevertheless, after David Rey Guzman sold the land to Emiliano Cataniag, a qualified citizen, the defect was cured.

- The Court referenced previous jurisprudence, illustrating that a legally flawed transfer to an alien which is subsequently cured by conveyance to a qualified citizen upholds the latter's title.

**Doctrine:**

The Court reiterated doctrines:

- **Findings of Fact:** Factual findings of trial courts, affirmed by the Court of Appeals, are binding on the Supreme Court.

- **Subsequent Valid Transfer:** An initial invalid transfer to an alien, followed by a transfer to a qualified Filipino citizen, cures the original defect, as stated in cases like *Godinez vs. Pak Luen* and *De Castro vs. Tan*.

**Class Notes:**

1. **Article 1621 (Civil Code):** Applies exclusively to rural lands not exceeding one hectare—legal redemption by owners of adjoining rural lands.

2. **Constitutional Provisions (Art. XII, Sec. 7):** Private lands in the Philippines can only be transferred to Filipino citizens or qualified entities, except in hereditary succession.

3. **Property Law/Jurisprudence:** Non-Filipinos are disqualified from owning land in the Philippines, yet subsequent transfer to a Filipino citizen cures the invalidity.

**Historical Background:**

The case is set within the framework of constitutional restrictions on land ownership in the

Philippines, designed to preserve national lands for Filipino citizens. The doctrines reaffirmed here, particularly concerning land transfers involving aliens, trace their roots to pivotal rulings like *\*Krivenko vs. Register of Deeds\** and developments through evolving policy interpretations on property rights and constitutional law.