

****Title:**** Alfredo Sajonas and Conchita Sajonas vs. Court of Appeals, et al.

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****Facts:****

On September 22, 1983, spouses Ernesto Uychochde and Lucita Jarin entered into a contract to sell a parcel of residential land in Antipolo, Rizal, to Alfredo Sajonas and Conchita R. Sajonas, with the property registered under TCT No. N-79073 of Marikina's Register of Deeds. The Sajonas couple annotated an adverse claim on the title on August 27, 1984, upon entering the contract, which was inscribed as Entry No. 116017. Following full payment, a Deed of Sale was executed on September 4, 1984. This deed was registered almost a year later on August 28, 1985, leading to the cancellation of TCT No. N-79073 and issuance of TCT No. N-109417 in Sajonas' name.

In the meantime, Domingo Pilares had a pending civil case (No. Q-28850) against Ernesto Uychochde for collection of money, resulting in a June 25, 1980, Compromise Agreement, acknowledging Uychochde's P27,800 debt. Upon Uychochde's failure to comply, Pilares secured a writ of execution on August 3, 1982, leading to a notice of levy on execution on February 12, 1985, annotated on TCT No. 79073 as Entry No. 123283.

The annotation carried over to TCT No. N-109417. The Sajonas couple filed for the cancellation of the levy annotation on October 21, 1985. When Pilares refused, they filed a complaint on February 5, 1986. The Regional Trial Court (RTC) ruled in favor of the Sajonases, ordering cancellation of the notice. Pilares appealed, and the Court of Appeals reversed the RTC's decision. Subsequently, the Sajonas couple petitioned for review on certiorari to the Supreme Court.

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****Issues:****

1. Whether the adverse claim annotated on TCT No. N-79073 ceased to have legal effect after 30 days.
 2. Whether the annotation of the notice of levy on execution on TCT No. N-109417 is valid and enforceable.
 3. Whether the Sajonas spouses were buyers in good faith and unaffected by the creditor's lien due to the adverse claim annotation.
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****Court's Decision:****

****1. Adverse Claim Legal Effect Post-30 Days:****

The Supreme Court found that interpreting Section 70 of P.D. 1529 strictly to mean the adverse claim expires automatically after 30 days would render the necessity of a cancellation petition meaningless. The Court held that the annotation of adverse claims remains effective beyond 30 days unless formally canceled by verified petition, ensuring continuous protection of the claimants' interests.

****2. Validity of Notice of Levy:****

The notice of levy on execution annotated by the sheriff was invalid as it was done while the adverse claim was still effective. Therefore, the levy was unenforceable because it could not surpass the pre-existing adverse claim inscribed on the title.

****3. Buyers in Good Faith:****

The Supreme Court upheld the RTC's finding that the Sajonas spouses were buyers in good faith. The Court affirmed that the Sajonas couple purchased the property without knowledge of Pilares' claim, and their registered adverse claim provided sufficient notice to subsequent purchasers and claimants of their interest in the property.

****Doctrine:****

The Supreme Court reiterated the doctrine that an adverse claim annotated on a certificate of title remains effective beyond 30 days from registration unless and until it is cancelled through a court order following a verified petition, thus providing continued protection for the claimant's interest.

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****Class Notes:****

- ****Adverse Claim:**** Effective beyond the initial 30-day period unless cancelled via court order (Sec. 70 of P.D. 1529).
- ****Buyer in Good Faith:**** Impacts of property sale should be considered with existing registered claims.
- ****Notice of Levy on Execution:**** Subject to existing liens/encumbrances at the time of levy (Rule of Court).

****Relevant Statutes:****

- ****Property Registration Decree (P.D. 1529):**** Section 70 on adverse claims.
- ****Rules of Court, Rule 39, Section 16:**** Effect of levy on execution concerning third

persons' existing claims.

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****Historical Background:****

The case arose from the intricate dynamics between a creditor enforcing a judgment via levy and subsequent purchasers enforcing their ownership rights under adverse claim protection, highlighting the interplay between procedural due process in property rights protection under the Torrens system in the Philippines—a system designed for certainty and indefeasibility of title.