Title: Spouses Dadizon vs. Court of Appeals and Spouses Mocorro

Facts:

Respondent Spouses Dominador and Elsa Mocorro initiated legal action against the petitioner Spouses Nestor and Felicidad Dadizon in the Municipal Trial Court (MTC) of Naval, Biliran to recover 78 square meters of land and to cancel the Dadizons' tax declaration for said property. The Mocorros' entitlement traces back to Ignacia Bernal, who sold a portion of her tract of 3,231 square meters to Almeda Elaba in 1946. Almeda Elaba then sold 224 square meters to Brigido Caneja, Sr. in 1971. Caneja, Sr. transferred the same to the Mocorros in 1973. This resulted in the issuance of several tax declarations evolving from Bernal, Elaba, Caneja, Sr. and finally to Dominador Mocorro.

In 1980, the Dadizons acquired a tax declaration of 147 square meters. The disputed 78 square meters was originally part of the Mocorro's 224 square meters, adjusted by the reissued tax declaration to 146 square meters. The MTC found the Mocorros had a better right to the contested area. Despite the Dadizons claiming acquisition of the land from Felicidad Dadizon's mother, Eustaquia Bernadas, the document was neither notarized nor registered.

The RTC affirmed the MTC's decision on appeal. The Dadizons then appealed to the Court of Appeals (CA), but their appeal was dismissed for using the improper appellate procedure. Their motion for reconsideration was denied, prompting their petition to the Supreme Court.

Issues:

- 1. Whether the Court of Appeals properly dismissed the Dadizons' appeal for being filed through an incorrect mode.
- 2. Whether the lower courts correctly determined the Mocorros' ownership rights over the 78-square meter parcel of land.

Court's Decision:

- 1. **Procedural Error in Appeal:** The Supreme Court held that the Dadizons' appeal to the CA was improperly filed. They should have filed a petition for review under Rule 42, as the RTC decision was rendered in its appellate jurisdiction. The mode of appeal was pivotal, as procedural rules delineating appellate jurisdiction and timeliness are both mandatory and jurisdictional. As such, the CA's dismissal of the appeal was upheld.
- 2. **Substantive Rights Over the Land:** The Court reaffirmed the lower courts' decision

that the Mocorros had superior claim to the property. The agreement between Bernadas and the Dadizons was unnotarized and unregistered, failing to bind third parties such as the Mocorros. The purchase history, consistent possession, and financial transactions (such as the mortgage established by the Mocorros) were sufficient to affirm their ownership rights over the 78-square meter lot.

Doctrine:

- The registration of the sale affecting unregistered land is necessary to bind third parties.
- An erroneous appeal due to improper procedural mode is dismissible, highlighting the importance of adherence to prescribed appellate processes.
- Unnotarized and unregistered conveyances are ineffective against third-party interests, emphasizing the importance of registration in land transactions affecting unregistered property.

Class Notes:

- **Key Concepts:** Registration of deeds, modes of appeal, binding effect of contracts on third parties.
- **Legal Statutes:** Section 113, Presidential Decree No. 1529 ("Property Registration Decree") Necessity for recording transactions affecting unregistered lands.
- **Application:** Emphasizes procedure in property conveyancing and understanding jurisdictional rules in appellate procedures.

Historical Background:

The decision underscores the Philippine legal system's emphasis on formalities in property conveyances stemming from the Spanish colonial influence reflected in its jurisprudential focus on documentation and registration for third-party protection. Also, it reflects modernization in legal processes, such as stricter adherence to procedural rules in appeals to ensure judicial efficiency and effectiveness in the face of increasing case backlogs. This need aligns with ongoing legal reforms in the Philippines aiming at bolstering the operational efficacy of the judicial system amidst a complex and growing legal environment.