

Title: Spouses Noel and Julie Abrigo vs. Romana De Vera

Facts:

1. Initial Sale (May 27, 1993): Gloria Villafania sold a house and lot located in Banaoang, Mangaldan, Pangasinan (covered by Tax Declaration No. 1406) to Rosenda Tigno-Salazar and Rosita Cave-Go. This sale resulted in a lawsuit for annulment of documents between Villafania and the vendees.
2. Compromise Agreement (December 7, 1993): By judgment of the Regional Trial Court, Branch 40 of Dagupan City, a compromise was reached. Villafania was given a year to buy back the property. She failed to do so, keeping the sale to Tigno-Salazar and Cave-Go effective.
3. Issuance of Free Patent: Unknown to the initial buyers (Tigno-Salazar and Cave-Go), Villafania obtained a free patent for the property, canceled by TCT No. 212598 (April 11, 1996).
4. Subsequent Sales: On October 16, 1997, Rosenda Tigno-Salazar and Rosita Cave-Go sold the property to Spouses Abrigo. On October 23, 1997, Villafania sold the same property again to Romana de Vera, who later registered the sale, leading to a new TCT in her name.
5. Legal Actions: Romana de Vera filed a forcible entry and damages suit against Spouses Abrigo, dismissed due to an agreement that neither party could take possession until the resolution of another case filed by Spouses Abrigo (November 21, 1997) for annulment of documents, injunction, and damages.
6. Initial Court Decisions: The trial court ruled in favor of the Abrigos, awarding them the property and damages. The Court of Appeals initially voided Villafania's second sale to De Vera, dismissing her appeal, based on void non-existent ownership at the time of the second sale.
7. Amended Decision: Upon reconsideration, the Court of Appeals reversed its decision, upholding De Vera's rights as a good faith purchaser for value, due to her reliance on the Torrens title.

Issues:

1. Validity of Gloria Villafania's Sale to Romana De Vera.
2. The status of Romana De Vera as a purchaser for value in good faith.
3. Determining the party with superior title to the property between the Spouses Abrigo and Romana De Vera.

Court's Decision:

1. Validity of Villafania's Sale to De Vera: The supreme court upheld the Court of Appeals'

amended decision recognizing the validity of the sale to De Vera as Villafania appeared to hold a legitimate Torrens title at the time of that sale.

2. Good Faith Purchaser: The court ruled in favor of De Vera, establishing her as a purchaser in good faith. It noted she relied on the Torrens title and had no knowledge of the prior sale or ongoing litigation.

3. Better Right to the Property: Adhering to Article 1544 of the Civil Code and the Torrens system principles, the Supreme Court declared De Vera as having the better right due to her valid registration which was done in good faith compared to prior non-Torrens registered sales by Spouses Abrigo.

Doctrine:

1. Article 1544 of the Civil Code relating to double sales prioritizes the first to register in good faith, followed by the first possessor in good faith, and lastly, the holder of the oldest title in good faith.

2. The Torrens system ensures registration confers rights and gives notice to the whole world, prioritizing registered claims over non-registered interests.

Class Notes:

- Double Sale of Immovable Property: Prioritization under Article 1544.
- Good Faith Requirement: Validity of claims under Torrens system registration.
- Constructive Notice: Registration serves as notice under Torrens system, distinct from general principles applied to unregistered lands.
- Compliance with Proper Registry: Necessity for binding effect in immovable property transactions.

Historical Background:

The case reflects historical issues with property rights in the Philippines, emphasizing the Torrens system's role in settling disputes over land ownership. The remedy through Article 1544 highlights statutory efforts to manage issues arising from double sales, a long-standing problem within Philippine real estate and property law. This case demonstrates judicial reliance on established order and procedural clarity provided by the Torrens system compared to older documentary systems under Act 3344.