

### Title:

Spouses Rodolfo A. Noceda and Erna T. Noceda vs. Aurora Arbiz-Directo

### Facts:

1. **Initiation of the Initial Case:**

- September 16, 1986: Aurora Arbiz-Directo filed a complaint against Rodolfo Noceda for "Recovery of Possession and Ownership and Rescission/Annulment of Donation" before the Regional Trial Court (RTC) in Iba, Zambales (Civil Case No. RTC-354-I).
- Aurora claimed that she and her co-heirs had extra-judicially settled their inherited property (Lot No. 1121) from their late father on August 19, 1981. She donated a portion to her nephew Rodolfo but alleged that he occupied a larger area than granted starting in September 1985.

2. **RTC Decision:**

- November 6, 1991: RTC ruled in favor of Aurora, declaring the August 19, 1981 settlement valid and the June 1, 1981 deed of donation revoked. Rodolfo was ordered to vacate the disputed portion and return it to Aurora or her heirs, remove the house built on it, pay rental fees, and cover attorney's fees.

3. **Appeal to the CA:**

- Rodolfo appealed to the Court of Appeals (CA-G.R. CV No. 38126).
- March 31, 1995: The CA modified the RTC decision, specifying that Rodolfo must vacate Lot "C" allocated to Aurora but affirmed the rest of the RTC's decision.
- Rodolfo filed a petition for review to the Supreme Court (G.R. No. 119730), which was denied on September 2, 1999. The CA's decision became final, and a writ of execution was issued on March 6, 2001.

4. **Subsequent Suit Involving Spouses Dahipon:**

- January 5, 1995: Spouses Dahipon filed a complaint for recovery, annulment of sale, and damages in RTC, Iba, Zambales (Civil Case No. RTC-1106-I). They claimed ownership of Lot 1121-A (127,298 square meters), alleging incomplete payments by Petra Arbiz family and others.

5. **Action for Quieting of Title:**

- December 4, 2003: Spouses Noceda filed an action for quieting of title (Civil Case No. 2108-I), admitting the prior case was decided against them. They contended that the land subject in Civil Case No. RTC-354-I was now titled in their name through purchase from

Cecilia Obispo-Dahipon. They sought to enjoin the writ of execution from the previous case.

- Aurora filed a Motion to Dismiss citing res judicata; the RTC denied the motion. After Nocedas' presentation, Aurora filed a Demurrer to Evidence; the RTC granted it.

6. **Appeal to CA and Supreme Court:**

- The CA affirmed the RTC's decision (CA-G.R. CV No. 87026).

- The Nocedas raised the matter before the Supreme Court, arguing against the application of res judicata and questioning the validity of Aurora's title.

**Issues:**

1. **Applicability of Res Judicata:** Whether the principle of res judicata or doctrine of conclusiveness of judgment applies in the current case.

2. **Better Title:** Whether Aurora Arbizo-Directo has a better title to the property than the petitioners.

3. **Purchasers in Bad Faith:** Whether the ruling about purchasers in bad faith applies in this case.

**Court's Decision:**

1. **Res Judicata:**

- The Supreme Court held that **res judicata** applies because all requisites are met: finality of the previous judgment, identity of parties, subject matter, and causes of action, despite arguments to the contrary. The Court reaffirmed that any right or fact judicially determined in one case remains conclusive in subsequent cases between the same parties.

2. **Better Title:**

- The Court concluded that Aurora Arbizo-Directo has a better title. The final judgment against the Nocedas declared Aurora's ownership and upheld her right to reclaim the disputed property. The Nocedas' subsequent actions questioning this were invalid under the conclusiveness of previously adjudicated facts.

3. **Purchasers in Bad Faith:**

- The Court held that the Nocedas were purchasers in bad faith as they bought the land from Dahipon while aware of Aurora's adverse claim and ongoing litigation. This finding persisted through all trials and appeals, confirming they could not claim good faith purchaser protection.

**Doctrine:**

- **Doctrine of Res Judicata/Conclusiveness of Judgment:** Precludes re-litigation of facts or

issues determined in a previous final judgment between the same parties or their privies.

- **Bad Faith Purchase:** Purchasers aware of another party's adverse claim cannot invoke protection as good faith purchasers for value.

**Class Notes:**

- **Res Judicata:** Essential elements (final judgment, on the merits, jurisdiction over subject matter/parties, identity in parties/subject matter/causes).

- **Civil Law - Property Law:** Reiteration that ownership and possession litigations are bound by prior adjudications.

- **Purchasers in Bad Faith:** Awareness of adverse possession defeats claims of good faith.

**Historical Background:**

The case reflects long-standing issues in Philippine property disputes, particularly inheritance, donations, and subsequent ownership claims. It exemplifies how judicial doctrines such as res judicata ensure finality and prevent endless litigation, a vital aspect of legal stability and property rights protection in the Philippines.