Title:

The Heirs of Nicolas S. Cabigas vs. Melba L. Limbaco et al.

Facts:

– On February 4, 2003, the heirs of Nicolas S. Cabigas (petitioners) filed a complaint in the RTC of Cebu City (Civil Case No. 28585) to annul land titles registered to Melba Limbaco, Linda Logarta, and other respondents.

– The petitioners claimed that Lolita Cabigas and her late husband, Nicolas, bought two lots from Salvador Cobarde on January 15, 1980. Cobarde had previously purchased the lots from Ines Ouano in 1948.

– Despite this, Ouano sold the same lots to the National Airports Corporation on November 25, 1952.

– When the airport project failed, Ouano's heirs reclaimed the titles through a legal action and sold them to various respondents, who subsequently registered the titles in their names.

– Respondents motioned the court to dismiss the complaint, claiming the petitioners had no legal rights to the properties.

Procedural Posture:

– RTC granted summary judgment for respondents AWG Development Corporation, Petrosa Development Corporation, and University of Cebu Banilad, Inc., dismissing the petitioners' complaint on August 23, 2005.

– The RTC concluded that the National Airports Corporation (a buyer in good faith) registered the properties, nullifying all previous unrecorded transactions, including the sale to Cobarde.

– Petitioners appealed, raising legal questions regarding the summary judgment.

– The CA dismissed the appeal on May 31, 2006, stating the petitioners should have filed a Rule 45 petition with the Supreme Court as only legal issues were raised.

– The CA's decision was affirmed despite a motion for reconsideration.

Issues:

1. Whether the CA erred in dismissing the appeal, holding a summary judgment is reviewable only under Rule 45 to the Supreme Court.

2. Whether substantial justice and equity warrant overturning the CA resolutions.

Court's Decision:

– The Supreme Court affirmed the CA's decisions, highlighting jurisdictional and procedural correctness.

1. **Mode of Appeal:** The Court upheld the CA's dismissal. Under Rule 41, questions purely of law (as in summary judgment propriety) should be appealed through Rule 45 to the Supreme Court.

2. **Summary Judgment Validity:** The RTC's summary judgment was reaffirmed as proper. The National Airports Corporation's purchase and registration in good faith legally eradicated earlier unrecorded transactions, rendering petitioners' claims void.

3. **Petitioners' Rights:** The initial sale to Cobarde being unregistered bound only parties involved (in personam) vs. the registered sale (binds the world, in rem). Petitioners' predecessors-in-interest lacked legal claim enforceable in rem.

Doctrine:
– **Buyer in Good Faith:** A buyer who registers property in good faith cuts off rights from unrecorded prior transactions (Article 1544 of the Civil Code).
– **Torrens System:** Legal ownership in registered land is solidified with proper registration, dismissing earlier unregistered claims.
– **Summary Judgment:** Appropriate when no genuine material fact issues exist and judgment is entitled as law (Rule 35).

Class Notes:
– Key Concepts:
– **Torrens System:** Emphasizes the security and conclusiveness of registered land titles.
– **Good Faith Purchaser:** Protection for subsequent registrants if there is no contrary prior registration.
– **Modes of Appeal:** Differentiate between raising legal questions vs. factual issues in appellate procedures.
– **Civil Code Art. 1544:** Determines priority based on good faith registration for immovable properties.

Historical Background:
– The case provides a glimpse into the enforcement of the Torrens system and its implications on land ownership disputes in the Philippines. It supports the reliability of registered land titles to maintain public confidence in the property registration system.

This decision reiterates the principle of "quod res est ibi jus" (where the thing is, there is the right) under the Torrens system, ensuring registered titles ultimately define and protect property ownership against unrecorded claims.