

****Title:**** Spouses Rol v. Racho

****Facts:****

Loreto Urdas owned a 1,249-square meter land, Lot No. 1559, in Gonzaga, Cagayan. He died in 1963 without descendants. His siblings, Fausto, Chita, Maria, and Isabel, became his intestate heirs. Isabel later discovered that Lot No. 1559 had been subdivided into Lot Nos. 1559-A and 1559-B. Despite Loreto's long-passed death, the petitioners, Spouses Benny and Normita Rol, presented deeds of sale allegedly executed by Loreto in 2006 and 2012. Consequently, titles for the subdivided lots were issued in the petitioners' names. In response, Isabel filed a complaint for reivindicacion and damages.

Petitioners Benny and Normita Rol claimed they had purchased the lots; Lot No. 1559-A was from Fausto, Chita, and Maria in 1993 through an Extra-Judicial Settlement with Sale (EJSS) and Lot No. 1559-B was from Allan and Leoncia in 2010. They asserted continuous possession of the lots until Isabel's complaint disrupted their occupancy in 2013.

The Regional Trial Court (RTC) ruled in favor of Isabel, declaring the EJSS and related deeds of sale void and ordered Spouses Rol to reconvey 312.25 sq.m of Lot No. 1559 to Isabel. It also awarded damages to Isabel. Petitioners' motion for reconsideration was denied, prompting them to appeal to the Court of Appeals (CA).

The CA notably invalidated the EJSS given Isabel's exclusion, upheld the sale of Lot No. 1559-A only to the extent of Fausto, Chita, and Maria's undivided interests, voided the sale of Lot No. 1559-B, and recognized petitioners as buyers in bad faith. The award of actual damages to Isabel was also deleted.

Aggrieved, the petitioners sought further recourse to the Supreme Court.

****Issues:****

1. Whether the deeds of sale of specific portions of Lot No. 1559 are valid.
2. Whether the conveyance of Lot No. 1559-A and Lot No. 1559-B to the petitioners is valid given the exclusion of Isabel, a co-heir.
3. Whether petitioners can be deemed innocent purchasers for value.
4. Whether Isabel's claim is barred by laches.

****Court's Decision:****

1. ****Validity of Deeds of Sale:**** The Supreme Court held that the deeds of sale executed in 2006 and 2012 purportedly by Loreto were forgeries, being impossible for Loreto to execute

as he died in 1963. As for the EJSS, it was declared null and void because it excluded Isabel, a legitimate heir, from the extrajudicial settlement without her consent or knowledge.

2. **Conveyance Validity:** The Supreme Court ruled that any definitive conveyance of Lot Nos. 1559-A and 1559-B based on the EJSS was void due to the necessity of unanimous consent among all co-heirs, which included Isabel. Nevertheless, it was acknowledged that Fausto, Chita, and Maria could lawfully sell their undivided shares in the estate, amounting to a 3/4 interest in total.

3. **Purchaser in Good Faith:** The Court ruled that the petitioners were not innocent purchasers for value, as they should have questioned the capacity of Allan and Leoncia to sell and thoroughly investigated the estate's true ownership and status.

4. **Laches:** The Court found no merit in the laches argument, noting that Isabel was unaware of the fraudulent transfers and there was no evidenced undue delay attributable to her in asserting her rights over the property.

Doctrine:

- A deed of sale executed by a deceased person is null and void.
- An extrajudicial settlement executed excluding a legal heir without their knowledge or consent is void for fraud.
- A co-owner cannot convey defined portions of a co-owned property without the consent of all co-owners; only their undivided, aliquot interests can be validly sold.
- Absence of good faith negates claims to being an innocent purchaser for value.
- Laches requires proof of inordinate delay and is determined by the inability of the claimant to justify such delay.

Class Notes:

- **Elements of a Valid Contract of Sale:**
 1. Consent of the contracting parties
 2. Object certain which is the subject matter of the contract
 3. Cause of the obligation which is established.
- **Hierarchy of Heirs' Rights:** Lot ownership rights upon a decedent's death immediately vests in heirs, though such rights remain inchoate pending estate settlement. Co-heirs share common ownership until the property is partitioned.
- **Relevant Statutes:**

- **Article 1078, Civil Code:** Estate held in common by heirs; subdivision or sale without unanimous consent is void.
- **Article 493, Civil Code:** Co-owners can freely dispose of their aliquot share but cannot sell definitive portions without all co-owners' consent.
- **Article 777, Civil Code:** The rights to succession are transmitted from the moment of death of the decedent.

Historical Background:

This case is set against the backdrop of the legal principles ensuring rightful inheritance and property rights protection, emphasizing the stringent policies in place to safeguard against fraud, the integrity of property transactions, and the procedural requirements in handling the estates of decedents in Philippine jurisdiction. The historical context underscores the courts' commitment to upholding the rule of law and ensuring equitable distribution among heirs as delineated by statutory inheritance laws.