

Title: Catindig vs. Vda. de Meneses (656 Phil. 361, 2009)

Facts:

1. **Property in Question:** A parcel of land known as Masusuwi Fishpond located in Malolos, Bulacan, originally titled under Transfer Certificate of Title (TCT) No. T-1749 issued in the name of the late Rosendo Meneses, Sr.
2. **Parties:** Respondent Aurora Irene C. Vda. de Meneses, widow of Rosendo Meneses, Sr., and administratrix of his estate, filed a complaint against Manuel Catindig, a first cousin of her husband, and Silvino Roxas, Sr.
3. **Complaint:** Filed May 17, 1995, seeking recovery of possession, payment of unearned income, damages, attorney's fees, and costs.
4. **Allegations:** Respondent alleged that Catindig took possession of the fishpond through fraud, undue influence, and intimidation in September 1975 and later leased it to Roxas without lawful authority.
5. **Defendants' Claims:** Catindig claimed he bought the property in January 1978 as evidenced by a Deed of Absolute Sale. Roxas asserted that Catindig was the lawful owner and he had paid rentals in advance.
6. **Trial Court Findings:** Found the Deed of Absolute Sale simulated and fictitious, as respondent did not receive the stated consideration (PhP150,000.00) and various significant parts of the document were incomplete or unnotarized. Judgment was rendered in favor of respondent, ordering defendants to vacate and pay compensations.
7. **Appellate Proceedings:** Petitioners challenged the trial court's decision before the Court of Appeals (CA). The CA affirmed the RTC decision in favor of respondent.

Issues:

1. **Whether respondent's action is one for annulment of contract under Articles 1390 and 1391 of the Civil Code.**
2. **Whether the cause of action has prescribed due to alleged fraud and/or intimidation.**
3. **The genuineness and due execution of the Deed of Absolute Sale.**
4. **Whether Roxas, relying on the deed, leased the property in good faith.**

Court's Decision:

The Supreme Court affirmed the decisions of the CA and RTC.

1. **Void vs. Voidable Contract:**

- **Deed of Sale:** The Supreme Court concurred that the Deed of Sale was simulated and fictitious. It was incomplete, lacked notarization, and there was no actual payment for the

purported sale. Therefore, the deed was void and not voidable, making Articles 1390 and 1391 inapplicable. The respondent's action is not one of annulment but recovery of possession.

2. **Prescription of Action:**

- **Prescribed Claims:** Claims based on actions to declare a contract void do not prescribe. The respondent's defense which seeks to declare the inexistence of the void contract does not prescribe, thus the argument of prescription by Catindig is unavailing.

3. **Rights under Torrens Title:**

- **Respondent's Right to Possession:** The Respondent, as the registered owner, has a superior right to possession as against Catindig's unregistered and simulated deed of sale. The Torrens title serves as incontrovertible evidence of ownership.

4. **Roxas' Good Faith:**

- **Lessee's Good Faith:** The court found that Roxas could not claim good faith as he relied on an incomplete and unnotarized deed of sale. Moreover, under the principle that a registered owner's right to eject is imprescriptible, Roxas' reliance on Catindig's claim was unjustified.

Doctrines:

- **Nullity of Simulated Contracts:** A contract that is simulated is null and void ab initio for lack of consideration. A simulation of price makes the sale void as per Article 1471 of the Civil Code.

- **Prescription Not Applicable to Void Contracts:** Actions to declare nullity do not prescribe.

- **Indefeasibility of Torrens Title:** The person named in the certificate of title holds an indefeasible and incontrovertible right to the property, including the right to eject illegal occupants.

- **Implications of Unregistered Deeds:** An unregistered deed of sale does not upend the rights of a registered property owner.

Class Notes:

- **Key Concepts:** Simulation of contract, annulment, prescription, void vs voidable contracts, Torrens title, good faith in lessee claims.

- **Legal Provisions:**

- **Civil Code, Art. 1390 and 1391:** Pertains to annulable contracts and their prescription

periods.

- **Civil Code, Art. 1471**: States that a sale is void if the price is simulated.
- **Land Registration**: Torrens title principles of indefeasibility and conclusive rights of the registered owner.

Historical Background:

This case reflects the judicial enforcement of property rights in the Philippines within the framework of the Torrens system. It underscores the judiciary's role in preserving the integrity of registered property titles against fraudulent and simulated transactions, ensuring that rightful owners maintain possession and control of their properties.