

Title: Vda. de Jomoc et al. vs. Court of Appeals, et al. & Spouses Lim vs. Maura So

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Facts:

1. The subject lot in Cagayan de Oro City forms part of the estate of the late Pantaleon Jomoc. This lot was fictitiously sold and transferred to third persons.
2. Maria P. Vda. de Jomoc, as administratrix of the estate, filed Civil Case No. 4750 to recover the property. Mariano So, the last transferee, intervened.
3. The trial court ruled in favor of Jomoc, and Mariano So, along with Gaw Sur Cheng, appealed to the Court of Appeals.
4. In February 1979, pending appeal, Jomoc executed a Deed of Extrajudicial Settlement and Sale of Land to Maura So for P300,000. Maura So made partial payments totaling P49,000.
5. In 1983, Mariano So agreed to settle by executing a Deed of Reconveyance in favor of the Jomoc heirs, complying with the trial court's decision.
6. On February 28, 1983, the Jomocs executed another extrajudicial settlement with absolute sale to spouses Lim for P200,000. The spouses Lim registered their sale on April 27, 1983.
7. Maura So, claiming the Jomocs ignored her demand to execute the final deed of conveyance, filed Civil Case No. 8983 for specific performance. She filed a notice of lis pendens on February 28, 1983.
8. The lower court declared the case as one of double sale, concluding spouses Lim registered their sale in bad faith.

Issues:

1. Whether Maura So abandoned or backed out of the initial agreement, rendering the sale to spouses Lim valid.
2. Whether the initial agreement with Maura So was unenforceable under the Statute of Frauds.
3. Whether the subsequent sale to spouses Lim was valid and in good faith.
4. Determining the rightful owner between Maura So and spouses Lim under Article 1544 of the Civil Code.

Court's Decision:

1. ****Abandonment Issue:****
 - The Supreme Court found no sufficient evidence proving Maura So abandoned the initial

agreement. The terms of Exhibit “A” indicated continuous interest in the property, evidenced by partial payments and efforts to expedite the dismissal of the appeal.

2. **Statute of Frauds Issue:**

- The Court held that the initial agreement was not subject to the Statute of Frauds. The essential requisites for a valid and enforceable contract (consent, object, and cause) were present, and partial execution through payments and acceptance invalidated this defense.

3. **Good Faith Issue:**

- The spouses Lim were not in good faith. They had knowledge of the prior sale to Maura So and the notice of lis pendens. Their registration of the sale after the notice indicated bad faith, aligning with what Article 1544 of the Civil Code outlines for determining ownership disputes over immovable property.

4. **Rightful Ownership:**

- Under Article 1544, since the spouses Lim were not in good faith, they do not have a better right to the property. Maura So’s prior unregistered sale has precedence, especially with demonstrated continuous interest and partial execution of the contract.

Doctrine:

1. **Partial Performance Exception to the Statute of Frauds:** A sale of real property that lacks some formal requisites can still be enforceable if partial performance occurs, impacting the applicability of the Statute of Frauds.

2. **Article 1544 of the Civil Code:** In cases of double sale of immovable property, the buyer who first registers in good faith has a superior right, but mere registration is insufficient without good faith.

Class Notes:

1. **Elements of a Valid Contract:** Consent, object, and cause.

2. **Statute of Frauds:** Agreements for the sale of real property must be in writing to be enforceable unless partially performed.

3. **Double Sale Doctrine (Article 1544):** Priority given to the first buyer in good faith who registers the sale; bad faith nullifies this priority.

4. **Notice of Lis Pendens:** Alerts third parties of existing claims on the property, affecting subsequent transactions.

Historical Background:

- This case arises during a time when issues of double sale were prevalent in property

disputes in the Philippines, highlighting the need for stringent adherence to good faith requirements and formal registration processes. Such cases are pivotal in shaping property jurisprudence and reinforcing the principles behind Article 1544 of the Civil Code.