

**ENRIQUE BAUTISTA, PETITIONER, VS. EUSTAQUIO FULE,
RESPONDENT.***G.R. No. L-1577. January 31, 1950*

Ponente: REYES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/be2196992c17/>**REYES, J.:**

This is an appeal from a decision of the Court of Appeals.

The essential facts are not in dispute. Felipe Suarez was the owner of a parcel of unregistered coconut land situated in Alaminos, Laguna. On June 30, 1930, Suarez sold this land to Gregorio Atienza for P1,300 subject to repurchase within ten years. Atienza, in turn, sold it to Valentin Dimaano for P100 subject to redemption within five years. (This last transaction was, however, found by the Court of Appeals to be a mere equitable mortgage and not a pacto de retro sale.) Some four years thereafter the land was levied upon to satisfy a judgment rendered against Gregorio Atienza in a case brought against him by Enrique Bautista and it was, on April 10, 1935, sold at public auction to Bautista for P258.59, the sale being registered seven days later, that is, on April 17, under Act No. 3344. Under the law Atienza had the right to redeem the land within one year from the date of the auction sale. But before the expiration of that period, that is, on January 13, 1936, the land was repurchased from Atienza, redeemed from Di-maano, and then sold outright to Eustaquio Pule by its original owner and vendor a retro, Felipe Suarez.

To recover the land from Fule, Bautista instituted the present action in the Court of First Instance of Laguna, contending that the repurchase of the property from Atienza and its sale to Fule were fraudulent and fictitious and that it was from him (Bautista) and not from Atienza, that Suarez should have made the repurchase. Overruling both contentions, the Court of First Instance dismissed the action, and the dismissal having been affirmed by the Court of Appeals, the case has been brought to us for review.

Accepting, as we must, the finding of fact of the Court of Appeals that the repurchase of the property from Atienza and its sale to Fule were not fraudulent and fictitious, the question for us to determine is whether Fule has, by virtue of those transactions, acquired a right superior to that acquired by Bautista as a purchaser in a prior sale that was duly registered.

Section 24, Rule 39, Rules of Court, provides that the purchaser of real property at an execution sale "shall be substituted to and acquire all the right, title, interest, and claim of the judgment debtor thereto," subject to the right of redemption therein provided. The right acquired by the purchaser is, of course, inchoate and does not become absolute until after the expiration of the redemption period without the right of redemption having been exercised. But inchoate though it be, it is, like any other right, entitled to protection and must be respected until it is extinguished by redemption.

In the present case, the right or title acquired by Bautista at the execution sale was never so extinguished, for Atienza, the judgment debtor, failed to exercise his right of redemption. Neither was Bautista's right or title extinguished by the subsequent repurchase of the property from Atienza by Suarez as vendor a retro. Having been

divested of all his right to the property as a result of its sale at execution, Atienza had nothing more to transmit to Suarez except his right to redeem within the statutory period. The sale at execution did not, it is true, foreclose Suarez' right to repurchase as vendor a retro. But the repurchase should have been made from the holder of the title and not from him who, having been divested thereof in accordance with law, had nothing more to convey except the bare right of redemption accorded to a judgment debtor. And Atienza never made a conveyance of this right. Neither did he exercise it himself. And even supposing that the right passed to Suarez when he repurchased the property, the fact remains that the redemption period of one year passed without the said right having been exercised.

Fule may not claim ignorance of the execution sale, for it was registered under Act No. 3344 on April 17, 1935. He must, therefore, be deemed to have constructive notice thereof when, on January 30, 1936, he bought Suarez's interest and at the same time redeemed the land from Atienza. With such notice Fule is not entitled to the rights of a purchaser in good faith.

In justifying the repurchase of the land from Atienza instead of from Bautista, the lower court cites Article 1510 of the Civil Code which provides:

"The vendor may bring his action against any possessor who holds under the vendee, even though in the second contract no mention should have been made of the conventional redemption, saving always the provisions of the Mortgage Law with respect to third persons."

It should be noted, however, that in authorizing the vendor a retro to enforce his right of repurchase against "any possessor who holds under the vendee," the article has provided a saving clause in favor of the rights of third persons under the provisions of the Mortgage Law, whose function may, in the case of land not registered either under that law or the Land Registration Act, be deemed to be performed by those of Act No. 3344. If this Act is to have any utility at all, registration thereunder should produce its effects against third persons.

It follows from the foregoing that the repurchase of the land from Atienza instead of from Bautista did not divest the latter of his right to said land as purchaser at the auction sale, a right which must now be deemed to be absolute in view of the non-redemption of the property by the judgment debtor or any other person entitled thereto within the period prescribed by the Rules. Obviously, Fule's remedy is against Atienza for the recovery of the sum paid to him in the repurchase.

Wherefore, the decision appealed from is reversed, and, as between the appellant and the appellee, the former is declared to be the one entitled to the land in litigation.

The appellee shall pay costs.

Moran, C. J., Bengzon, Padilla, Tuason, and Torres, JJ., concur.

DISSENTING OPINION

PARAS, J.:

The land in question contains 10,000 square meters and is assessed at P730. It was sold by the owner, Felipe Suarez, to Gregorio Atienza for P1,300 subject to the right of repurchase within ten years from June 30, 1930. Atienza in turn sold his rights for P100 to Valentin Dimaano, with right of redemption within five years. Enrique Bautista, a judgment creditor of Atienza, levied upon the land and had it sold at public auction on April 10, 1935, at which Bautista himself became the purchaser at P258.59. Atienza failed to exercise his right of redemption against Bautista within the reglementary period of one year from the date of the auction sale. On January 13,

1936, the land was repurchased from Atienza and Dimaano by Suarez who conveyed the same to Eustaquio Fule by way of absolute sale.

The majority, reversing the judgment of the Court of First Instance of Laguna and the Court of Appeals, holds that the title of Bautista to the land became absolute as a result of Atienza's failure to redeem it within one year from April 10, 1935. In my opinion, Fule, as successor in interest of Suarez, could repurchase the land within ten years from June 30, 1930. The right of repurchase of Suarez (the original owner) and of Fule (transferee of Suarez) was not affected by the failure of Atienza to redeem from the auction sale in favor of Bautista, because what consolidated in the latter is the right of Atienza (which, by the way, passed to Dimaano) to become absolute owner upon failure of Suarez to redeem within ten years from June 30, 1930. In other words, Bautista did not acquire at the auction sale any right better than that of his judgment debtor, Atienza. Atienza, who merely lost his connection in the chain, was replaced by Bautista, but the right of repurchase of Suarez and his successor in interest, Fule, remained intact, although the latter mistakenly paid the repurchase price to Atienza, instead of to Bautista.

I therefore vote to affirm the decision of the Court of Appeals, with the sole modification that the herein respondent Eustaquio Pule is ordered to pay to the petitioner Enrique Bautista the sum of P1,300.

Ozaeta, J., concurs.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.