

SECOND DIVISION

[G.R. NO. 145878, April 25, 2006]

**MARCIANO BLANCO, PETITIONER, VS. FELIMON RIVERA,
RESPONDENT.**

R E S O L U T I O N

CORONA, J.:

Assailed in this petition for review^[1] are the decision^[2] and resolution^[3] of the Court of Appeals which affirmed the decision^[4] of Branch 70, Regional Trial Court (RTC) of Binangonan, Rizal in a civil case^[5] for quieting of title filed by respondent Felimon Rivera against his half-brother, petitioner Marciano Blanco.

The subject matter of the controversy is a parcel of residential land consisting of 217 square meters. It was formerly co-owned in equal undivided shares by respondent and Eugenia Reyes vda. de Rivera, the mother of both petitioner and respondent.

On February 21, 1977, Eugenia sold her undivided share to petitioner. The sale could not be registered because the original owner's copy of the title was allegedly in the custody of respondent who refused to surrender the same. The deed of sale^[6] did not have the consent of respondent. Eugenia, however, executed an affidavit^[7] alleging that she had already notified her co-owner Felimon and other possible redemptioners of the sale of the property.

Three years later, on April 19, 1980, Eugenia again sold her undivided share, this time to her co-owner, respondent Felimon, through a quitclaim deed^[8] and for a consideration of P9,785. Respondent registered the sale with the register of deeds of Rizal. He was issued TCT No. 501585^[9] on May 21, 1980. He thereafter took actual and physical possession of the property and had since then paid the real property tax thereon.^[10]

Sometime in 1982, petitioner, who was residing on one-fourth (1/4) of the property, heard about the sale of the property to respondent. He confronted their mother Eugenia who sought the assistance of barangay authorities in San Pedro, Angono, Rizal. In the barangay proceedings,^[11] petitioner exhibited the deed of sale and the affidavit executed by Eugenia attesting to the sale of the property and the prior notice to her co-owner Felimon Rivera.

Petitioner maintained that he tried unsuccessfully to register his deed of sale but, when asked by the registrar of deeds to produce the original TCT as a requirement for registration, all he could show was a photocopy inasmuch as the original was in respondent's possession. He claimed that he requested the original TCT from his mother and respondent but they refused. After several days, petitioner reiterated

his request to respondent but the latter ignored him.

For his part,^[12] respondent denied that he knew of the alleged prior sale of the property to petitioner. When he learned about petitioner's claim, he filed an ejectment case to oust him from the property.^[13] Unfortunately, the ejectment suit was decided in favor of petitioner.

On March 3, 1991, respondent filed the present civil case for quieting of title. Eugenia failed to testify because of her untimely demise.

The court *a quo* gave no weight to the tape-recorded barangay proceedings for being hearsay. Likewise, the court did not consider the dismissal of the ejectment case because the sole issue in that proceeding was possession, not ownership. It decided the case mostly on documentary evidence. It ruled:

WHEREFORE, in view of all the foregoing, Judgment is rendered[:]

1. Declaring the plaintiff Felimon Rivera, married to Gliceria Diaz as the true and lawful owner of the property covered by Transfer Certificate of Title No. 501585 of the Registry of Deeds of Rizal.
2. Ordering the defendant to pay the costs.

SO ORDERED.^[14]

On appeal, the Court of Appeals affirmed the RTC decision. It also denied petitioner's motion for reconsideration.

Hence, this petition.

Essentially, the issue before us is who, between petitioner and respondent, has the better right over Eugenia's portion of the property.

Petitioner contends that respondent did not act in good faith when he purchased it from their mother and had the sale registered in his name. Being the first buyer, petitioner claimed to have a better right to own the property.

When immovable property is sold to two different buyers at different times, ownership is determined in accordance with Article 1544 of the Civil Code^[15] which provides:

ART. 1544. xxx

Should it be immovable property, the ownership shall pertain to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person, who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith.

The requirement of the law is two-fold: acquisition in good faith and registration in good faith.^[16] The rationale behind this was laid out in *Uraca v. Court of Appeals*:^[17]

The prior registration of the disputed property by the second buyer does not by itself confer ownership or a better right over the property. Article 1544 requires that such registration must be coupled with good faith. Jurisprudence teaches us that "the governing principle is *primus in tempore, potior jure* (first in time, stronger in right). Knowledge gained by the first buyer of the second sale cannot defeat the first buyer's rights except where the second buyer registers in good faith the second sale ahead of the first, as provided by the Civil Code. Such knowledge of the first buyer does not bar her from availing of her rights under the law, among them, to register *first* her purchase as against the second buyer. But *in converso*, knowledge gained by the second buyer of the first sale defeats his right even if he is first to register the second sale, since such knowledge taints his prior registration with bad faith. This is the price exacted by Article 1544 of the Civil Code for the second buyer being able to displace the first buyer; that before the second buyer can obtain priority over the first, *he must show that he acted in good faith throughout (i.e. in ignorance of the first sale and of the first buyer's right) " from the time of acquisition until the title is transferred to him by registration or failing registration, by delivery of possession.)*

The vendee who first registers the sale in good faith in the registry of property has a preferred right over another vendee who has not registered his title. This is true even if the latter is in actual possession of the immovable property. More credit is given to registration than to actual possession.^[18]

But the law is clear - mere registration of title is not enough. Good faith must concur with registration.^[19] To be in a priority status, the second purchaser must be in good faith, that is, without knowledge of the previous alienation by the vendor to another.^[20] What holds relevance and materiality is not whether the second buyer is a buyer in good faith but *whether he registers such second sale in good faith*, meaning, without knowledge of any defect in the title of the property sold.^[21]

Here, both the trial and appellate courts declared respondent to be the true owner of the property. He was uncontestedly the first to register his ownership over the property, untainted by proof of any knowledge of the prior sale. Respondent's acquisition and registration of the property were therefore in good faith.

The appellate court elucidated:

xxx. Although defendant-appellant (petitioner) claims that he asked the owner's copy of the title from the plaintiff-appellant (respondent), the same was vehemently denied by the latter. Defendant-appellant presented the affidavit of their mother attesting that the subject lot was sold to him and that notice was given to the co-owner, however, proof of the said notice was never presented nor attached to the said affidavit. Defendant-appellant failed to prove that there was any notice, aside from the statement in the said affidavit. x x x We agree with the ruling of the lower court in not giving much weight to the affidavit of Eugenia Reyes