

# LAW I. Q.

**TITLE:** PEBLIA ALFARO AND THE HEIRS OF PROSPEROUS ALFARO, NAMELY: MARY ANN PEARL ALFARO & ROUSLIA ALFARO VS. SPOUSES EDITHO AND HERA DUMALAGAN, SPOUSES CRISPIN AND EDTHA DALOGDOG, ET. AL.  
**CASE NO.:** G.R. No. 186622  
**DATE:** JANUARY 22, 2014  
**COURT:** SECOND DIVISION DECISION  
**PONENTE:** PEREZ

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**SUBJECT MATTER/S:**

Civil Law; Sales; Double Sales; Good faith

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**FACTS:**

Sps. Prosperous and Peblia Alfaro bought a lot from Sps. Bagano through a Deed of absolute Sale on June 1995. The subject property was presently occupied by Sps. Dumalagan. Due to such circumstance and to allegedly protect their right, the Sps. Alfaro filed a petition. Spouses Dumalagan presented the notarized Deed of Absolute Sale dated December 6, 1993 and certificate, they are the real owner of a portion of the subject property, based on a notarized Deed of Absolute Sale dated December 6, 1993 and certificate of completion and a certificate of occupancy, both dated August 10, 1993.

Sps. Bagano filed a complaint for Declaration of nullity of Sale with Damages and Preliminary injunction against petitioners. In said case, the trial court sustained the validity of the Deed of Absolute Sale between petitioners and Sps. Bagano, which the appellate court reversed and set aside. According to the Appellate court, petitioners cannot claim good faith by referring to the annotations written at the back of Bagano's title. It stated that regardless if the petitioners name was not stated in the annotated adverse claims it still have the effect

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of constructive notice of the defect in the seller's title that made them as subsequent buyers. Such fact can be considered as an evidence that Sps. Alfaro had prior notice that the property they bought had prior owners.

## **ISSUE/S:**

Whether or not the petitioners are considered as buyers in good faith.

## **RULING:**

No, a purchaser in good faith is one who buys the property of another without notice that some other person has a right to, or an interest in such property, and pays a full and fair price for the same at the time of such purchase, or before he has notice of some other person's claim or interest in the property.

The petitioners are not such purchaser. Petitioners, based on evidence presented, had admitted that they have prior knowledge of the previous sales by installment of portions of the property to several purchasers based on the annotation in the title. Moreover, petitioners had prior knowledge of respondents' possession over the subject property.

Article 1544 clearly states that the rule on double or multiple sales applies only when all the purchasers are in good faith. In detail Art. 1544 requires 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 rights, from the time of acquisition until the title is transferred to him by registration or failing registration, by delivery of possession.

Hence, the rule on double sale is inapplicable in the case at bar. As correctly held by the appellate court. Petitioner's prior registration with prior knowledge of respondents'



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claim of ownership and possession, cannot confer ownership or better right over the subject property.