

Title: Allison D. Gibbs vs. The Government of the Philippine Islands & The Register of Deeds of the City of Manila

Facts: Allison D. Gibbs, a citizen of California, and his late conjugal partner, Eva Johnson Gibbs, acquired several properties in the City of Manila during their marriage. These properties were registered as conjugal properties under Philippine law. Eva Johnson Gibbs passed away intestate in Palo Alto, California, on November 28, 1929. Allison D. Gibbs was appointed administrator of her estate and filed a petition in the Philippine courts claiming the properties as his sole ownership by virtue of California law, whereby the surviving husband acquires the community property without administration upon the death of his wife. The Philippine court recognized his claim and ordered the titles to be transferred solely to his name. However, the Register of Deeds of Manila refused to comply without proof of payment of the required inheritance tax. Gibbs subsequently filed a petition to compel the Register of Deeds to transfer the titles without the tax clearance.

Issues:

1. Does Philippine law or California law determine the ownership rights of Eva Johnson Gibbs to the Philippine lands at the time of her death?
2. Does the surviving spouse, under California law, acquire community property upon the wife's death as a matter of succession or as a vested right?
3. Is there a legal or testamentary succession under Philippine law that requires the payment of inheritance taxes?

Court's Decision: The Philippine Supreme Court reversed the court's decision, emphasizing that the nature and extent of the interest vested in Eva Johnson Gibbs should be determined by the laws of the Philippines, where the properties are situated. It held that under Philippine law, Eva Johnson Gibbs had an interest equal to her husband's in the properties, which is transmitted to her heirs upon her death. Therefore, the transmission of her interest to any heirs would be subject to Philippine inheritance tax laws. The court concluded that the Register of Deeds was correct in refusing to transfer the titles without proof of payment of the inheritance tax.

Doctrine: The Supreme Court reiterated the doctrine that under Philippine law, the nature and extent of property rights, including ownership and succession to real property, are governed by the law of the country where the property is situated, i.e., the *lex rei sitae*.

Historical Background: At the time of this case, the Philippines followed the Spanish Civil

Code, still in effect for many transactions, despite having transitioned from Spanish to American rule. The legal issues addressed by the Supreme Court reflect the complexities present in situations involving private international law and conflict of laws, where property located in the Philippines was owned by foreign nationals. Moreover, the issue highlights the difference in property laws between community property jurisdictions, like California, and the property regime in the Philippines, which inherited a civil law tradition from Spain.