

Title: Tomas P. Tan, Jr. vs. Jose G. Hosana

Facts:

Jose G. Hosana, married to Milagros C. Hosana, owned a property in Naga City. Without Jose's consent, Milagros sold the property to Tomas P. Tan, Jr. by allegedly forging Jose's signature on a Special Power of Attorney (SPA). The Deed of Sale cited a purchase price of P200,000.00, whereas Tomas claimed to have paid P700,000.00 in total. The property's title was then transferred to Tomas. Upon learning of the unauthorized sale, Jose filed a complaint against Milagros, Tomas, and the Register of Deeds for Annulment of Sale/Cancellation of Title/Reconveyance and Damages. During the trial, both parties presented conflicting testimonies regarding the property's sale and payment.

Procedural Posture:

Jose's complaint was filed in the Regional Trial Court (RTC), which ruled in favor of Jose, declaring the sale null and void and ordering Tomas and Milagros to jointly and severally indemnify him. Tomas appealed to the Court of Appeals (CA), which affirmed the RTC's decision but modified the damages awarded, specifically directing Jose and Milagros to reimburse Tomas P200,000.00, the amount stated as the purchase price in the Deed of Sale. Tomas then filed a petition for review on certiorari with the Supreme Court, challenging the CA's findings on the reimbursement amount.

Issues:

1. Can the Deed of Sale, declared null and void, be used as the basis for determining the amount of consideration paid?
2. Is Tomas' testimony sufficient to establish the actual purchase price of the property?

Court's Decision:

The Supreme Court affirmed the CA ruling, emphasizing that the determination of the payment amount primarily involves questions of fact, which are inappropriate for review on certiorari. The Court highlighted the principle that allegations must be proven by a preponderance of evidence and that a party alleging payment bears the burden of proof. Furthermore, the Court clarified that while a void contract is inadmissible to enforce its terms, it can still serve evidentiary purposes to ascertain facts, like the transaction's consideration.

Doctrine:

The decision reiterates the doctrines relating to the burden of proof in civil cases, the

evidentiary value of void contracts, and the principle of unjust enrichment under Article 22 of the New Civil Code. It highlights that a void document can still be admissible as evidence for determining factual matters incident to its execution.

Class Notes:

1. **Burden of Proof**: In civil cases, the party making allegations must prove them by a preponderance of evidence.
2. **Preponderance of Evidence**: It is the weight, credit, and value of the aggregate evidence, synonymous with “greater weight of the credible evidence.”
3. **Void Contracts as Evidence**: A void or inexistent contract cannot enforce its terms but can be admitted as evidence to prove facts related to its execution.
4. **Unjust Enrichment**: Under Article 22 of the Civil Code, a party unjustly benefiting at the expense of another must return the benefit to prevent unjust enrichment.
5. **Documentary Evidence Principle**: The terms of a notarized document serve as prima facie evidence of the facts stated therein.

Historical Background:

This case reflects the legal intricacies involved in property sales in the Philippines, especially transactions concerning conjugal property without the consent of both spouses. It also delves into the role of documentary evidence in affirming or contesting property transactions, emphasizing the judicial system’s procedural nuances in handling such disputes.