

Title: ****Ganuelas vs. Cawed et al.: Defining the Nature of Donations and Their Legal Implications****

Facts:

In 1958, Celestina Ganuelas Vda. de Valin executed a deed, donating seven parcels of land to her niece, Ursulina Ganuelas. The deed stipulated that the donation would become effective upon Celestina's death, with a rescission clause if Ursulina predeceased her. In 1967, Celestina attempted to revoke this donation through a document, titled "Revocation of Donation." Following her death in August 1967, both Ursulina and Celestina's other nieces (respondents) managed the properties, albeit disagreements arose between them.

Ursulina assumed sole control over the properties in 1982, prompting the respondents to file a complaint in 1986 at the RTC of San Fernando, La Union. They argued the donation was void due to lack of acknowledgment by witnesses and failure to comply with the formalities required for wills. They sought the revocation of the deed, partition of the properties among heirs, and an accounting of profits since 1982.

The petitioners contended that the donation was inter vivos, not requiring the formalities of a will, and challenged the revocation's validity, as well as the timing of the complaint based on prescription.

The trial court held the deed to be a donation mortis causa, primarily due to its provision to take effect upon the donor's death, and due to its lack of proper acknowledgment, declared it void, leading the petitioners to seek review from the Supreme Court.

Issues:

1. Whether the donation was inter vivos or mortis causa.
2. Validity of the revocation of the donation.
3. Compliance with formalities prescribed by law for the donation and its revocation.

Court's Decision:

The Supreme Court upheld the trial court's decision, emphasizing the significance of the donation's stipulation to take effect posthumously, which classified it as a donation mortis causa. This necessitated adherence to the formalities of wills for its validity. The rescission clause and lack of immediate transfer of rights to the donee further reinforced this classification. Consequently, the absence of proper acknowledgment rendered the deed null, as it failed to meet the requirements for a valid will under Article 806 of the Civil Code.

Doctrine:

The Supreme Court reiterated the doctrine distinguishing donations inter vivos from mortis causa, underscoring that the latter must comply with the formalities of wills to be valid. The intention to transfer property upon the donor's death, without immediate right conveyed to the donee, and the provision for revocability indicate a donation mortis causa.

Class Notes:

1. Donation Inter Vivos vs. Mortis Causa: Classified based upon the timing of the effectivity and transfer of rights.
2. Requirements for a Valid Will: Under Article 806 of the Civil Code, a will must be acknowledged before a notary public by the testator and the witnesses.
3. Revocation of Donation: Inter vivos donations can only be revoked based on reasons stated in Articles 760, 764, and 765 of the Civil Code.

Historical Background:

The *Ganuelas vs. Cawed* case underscores the complexities involved in distinguishing between donations inter vivos and mortis causa, highlighting the essential formalities necessary for the legal transfer of property through donations and wills. This decision reinforces the judiciary's role in clarifying and applying these critical legal distinctions, which have significant implications on property rights and inheritance.