

Title: Spouses Antonio and Luzviminda Guiang vs. Court of Appeals and Gilda Corpuz

Facts:

Gilda Corpuz and her husband, Judie Corpuz, were legally married and owned conjugal property. In 1983, they purchased a lot in South Cotabato. After Gilda left for Manila in 1989, Judie sold half of this property to the Spouses Antonio and Luzviminda Guiang without Gilda's knowledge or consent. In March 1990, Judie sold the remaining half also to the Guiangs, again without Gilda's consent. Upon learning this, Gilda, who had returned home and discovered the unauthorized sale, filed a lawsuit to declare the deed of sale null and void.

Gilda's lawsuit was first heard by the Regional Trial Court of Koronadal, South Cotabato, which ruled in her favor, declaring the sale null and void. The decision was based on the absence of her consent, which is requisite for the sale of conjugal property under Philippine law. The trial court also ordered Gilda to reimburse the Guiangs for certain payments they had made in relation to the disputed property.

The Guiangs appealed to the Court of Appeals, which affirmed the trial court's decision. Subsequently, the Spouses Guiang took their case to the Supreme Court, contesting the lower courts' decisions.

Issues:

1. Whether the Deed of Transfer of Rights was validly executed without the wife's consent.
2. Whether the "amicable settlement" could be considered a ratification of the deed, rendering the contract merely voidable instead of null and void.
3. Whether the Court of Appeals erred in not recognizing the ownership and possession of the Guiangs over the disputed property.

Court's Decision:

The Supreme Court unanimously denied the appeal, ruling that the sale of conjugal property without the wife's consent is null and void. It reiterated that such consent was indispensable and its absence rendered the sale null and void, not merely voidable. Furthermore, the Court held that the "amicable settlement" did not ratify the void deed of sale. According to Philippine law, specifically Article 124 of the Family Code, a contract of sale involving conjugal property executed without the consent of the other spouse is null and void. The Supreme Court also emphasized that a void contract cannot be ratified.

Doctrine:

The Supreme Court established or reiterated the doctrine that the sale of conjugal property without the consent of both spouses is null and void from the outset. Under Article 124 of the Family Code, any disposition or encumbrance by one spouse without the consent of the other is void. This ruling reinforced the protective mechanism for marital assets within the conjugal partnership regime in Philippine family law.

Class Notes:

- Essential elements of a valid contract include cause, object, and consent from all parties involved (Civil Code, Art. 1318).
- The sale of conjugal property without the requisite consent of both spouses is null and void (Family Code, Art. 124).
- A void contract cannot be ratified or validated through subsequent agreements or settlements.
- The distinction between void and voidable contracts is crucial, especially involving marital assets; voidable contracts have defects in permission that make them invalid until annulled, whereas void contracts are deemed non-existent from the beginning due to the absence of essential elements, such as consent.

Historical Background:

This case highlights the evolution of marital property laws in the Philippines, illustrative of the shift from the provisions of the Civil Code to the more stringent protections offered under the Family Code. While under the Civil Code, the unauthorized sale of conjugal property by one spouse was considered voidable and could be annulled, the Family Code, effective August 3, 1988, rendered such sales without the other spouse's consent null and void ab initio, emphasizing the shared ownership and mutual consent in managing conjugal properties. This case illustrates the protective aim of the Family Code regarding marital property, enforcing mutual consent for any disposition or encumbrance of conjugal assets.