

Title: Dionisio Rellosa vs. Gaw Chee Hun: A Paradigm of Nullity and the Doctrine of *Pari Delicto* in Property Transactions During the Japanese Occupation in the Philippines

Facts: In a detailed progression of events, Dionisio Rellosa, the petitioner, sold a parcel of land along with the house built on it located in Manila, Philippines, to Gaw Chee Hun, a Chinese citizen, on February 2, 1944, for PHP 25,000. Subsequently, both parties entered into a lease agreement on the same day with Rellosa remaining in possession of the property. Rellosa posited that the sale was conditional upon the vendee obtaining approval from the Japanese Military Administration as mandated by “Seirei No. 6,” which Gaw Chee Hun failed to acquire. Asserting that the sale violated Article XIII, Section 5, of the then Constitution, which prohibits aliens from acquiring non-agricultural private land, Rellosa sought annulment of both the sale and lease in the Court of First Instance of Manila. Gaw Chee Hun contended the sale was absolute, valid, and unconditional. The trial court dismissed Rellosa’s complaint, a decision subsequently affirmed by the Court of Appeals, prompting Rellosa to petition for review by the Supreme Court of the Philippines.

Issues: The Supreme Court was presented with several issues:

1. The validity of Seirei No. 6 issued by the Japanese Military Administration and its applicable laws governing the sale.
2. Whether the sale was void under the Philippine Constitution which prohibits aliens from acquiring private agricultural lands, including residential lands.
3. If the sale was indeed void, whether Rellosa could recover the property based on the doctrine of rescission of contracts, despite both parties being in violation of the Constitution (*Pari Delicto* doctrine).

Court’s Decision:

1. **Seirei No. 6:** The Court did not delve into the question of the legal validity of the Japanese ordinance, emphasizing that the Philippine Constitution, not the Japanese directive, should govern the sale.
2. **Constitutionality of the Sale:** Referencing the *Krivenko vs. Register of Deeds* case, the Court reiterated that under the Constitution, aliens are prohibited from acquiring agricultural lands, including residential lands—thus rendering the sale void.
3. **Doctrine of *Pari Delicto*:** The Court adhered to the principle that individuals partaking in a contract known to be in violation of the Constitution cannot seek a court’s assistance to resolve their illicit objective. As both parties were in violation (*pari delicto*), neither could

seek remedial measures from the Court.

****Doctrine:**** The case reiterated the Doctrine of *Pari Delicto*, where the court will not assist any party in an illegal agreement to recover; and confirmed the Constitutional prohibition against aliens acquiring agricultural lands, including residential lands.

****Class Notes:****

- ****Doctrine of *Pari Delicto*:** A fundamental principle where parties in equal wrongful conduct cannot seek judicial relief.
- ****Article XIII, Section 5 of the Philippine Constitution (1943):**** “No private agricultural land shall be transferred or assigned except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain in the Philippines.” This provision includes residential lands and prohibits alien ownership, key in cases involving land transactions with foreigners.
- ****Seirei No. 6 & Article 43 of the Hague Regulations:**** Highlights jurisdictional and occupation laws’ complexity. However, national constitutions supersede occupation decrees in property matters.
- ****Application of Constitution over Occupational Directives:**** In transactions conducted under foreign occupation, the national constitution prevails over occupation directives concerning land ownership and transfer.

****Historical Background:**** This case encapsulates the complex legal environment in the Philippines during and post-Japanese occupation, focusing on property rights, sovereignty, and the applicability of foreign directives versus national law. The decision reflects the tension between occupation laws and national constitutional premises, especially in property transactions involving aliens, anchoring on the sovereign mandate post-occupation.