

Title:

City of Tanauan vs. Gloria A. Millonte: Nullification of a Fraudulent Deed of Absolute Sale

Facts:

- **Owners and Descendants:** The Gonzaga siblings were registered owners of a lot titled under OCT 3243. Gloria A. Millonte, a direct descendant of Lucio Gonzaga, filed a complaint against the City of Tanauan for the nullification of a Deed of Absolute Sale dated February 10, 1970, and the subsequent TCT T-42198, seeking reinstatement of OCT 3243.
- **Alleged Sale and Discovery:** The City of Tanauan purportedly acquired the property for P30,000.00 under a deed signed by the Gonzagas and then-Mayor Sebastian Carandang. Millonte discovered that the deed was invalid as the Gonzaga siblings were deceased at its alleged execution.
- **Procedural History:** Millonte's Complaint led to a trial where it was established that the Gonzagas died long before 1970, thus invalidating the sale. The Regional Trial Court (RTC) ruled in Millonte's favor, which was affirmed by the Court of Appeals (CA).

Issues:

1. Whether or not the Deed of Absolute Sale dated February 10, 1970, is null and void due to the alleged signatories being deceased at the time of its execution.
2. Whether the action for nullity prescribes or is subject to laches.

Court's Decision:

- The Supreme Court upheld the lower courts' findings, affirming that the Deed of Absolute Sale and TCT T-42198 were void.
- **Forgeries and Evidence:** Millonte successfully proved the Gonzaga siblings were deceased through secondary evidence—certifications of death and testimonies—overcoming the presumption of regularity for the notarized deed.
- **Imprescriptibility of Action:** The Court emphasized that actions or defenses for declaring the nullity of a contract void ab initio are imprescriptible, dismissing the defense of prescription and laches.

Doctrine:

- A contract signed on behalf of a deceased person is simulated and therefore null and void. The action or defense for the declaration of the inexistence of such a contract does not prescribe.

Class Notes:

- **Key Elements:** Imprescriptibility of action against void contracts, reliance on secondary evidence for proof of death when primary documents are destroyed, the burden of proof for forgery, and the nullity of contracts executed in favor of deceased individuals.
- **Critical Statutory Provisions:** Civil Code, Article 1410 on the imprescriptibility of actions for nullity of inexistences of contracts.
- **Application:** The Court highlighted the importance of substantiating the authenticity of documents, especially in transactions involving notarized contracts and property titles. It also underscored the perpetual possibility of challenging void contracts.

Historical Background:

This case reflects on the enduring principles of contract law in the Philippines, particularly on the authenticity and validity of documents and the rights of heirs to challenge transactions infringing on their inheritances. It underscores the judicial system's vigilance against fraudulent practices in property transactions, safeguarding the property rights of lawful heirs against spurious claims.