

Case Title: Nicolasa Macam, Testamentary Executrix of the Estate of Leonarda Macam v. Juana Gatmaitan and Magno S. Gatmaitan

Facts:

- **Initial Purchase and Deed of Sale**:

- On September 24, 1929, Leonarda Macam and Juana Gatmaitan jointly purchased a house for P3,000 from spouses Generoso Inducil and Flora Hamos.

- The deed indicated that both Leonarda and Juana contributed to the purchase price and were stated to be the vendees, both being single.

- **Subsequent Document**:

- On June 12, 1932, Leonarda and Juana executed a document (Exhibit C) specifying their ownership arrangement:

- They professed mutual friendship close to sisterhood.

- Leonarda solely provided the funds for the house, whereas Juana contributed a Buick automobile and most of the house's furniture.

- Exhibit C stated that upon the death of one, the survivor would inherit the other's property (house, car, and furniture, excluding some items specified).

Procedural Posture:

- **Trial Court**:

- The plaintiff, Nicolasa Macam (Leonarda's executrix), sought recovery of ownership of the house.

- The trial court ruled in favor of the defendants, Juana and Magno S. Gatmaitan, absolving them of the complaint.

- **Appeal**:

- The plaintiff appealed the trial court's decision to the Supreme Court of the Philippines.

Issues:

1. Whether Exhibit C between Leonarda and Juana constituted a donation mortis causa and if it was valid without formalities required by law for a will.

2. Whether the agreement in Exhibit C effectively transferred the ownership of the house to Juana upon Leonarda's death.

Court's Decision:

1. **Nature of Exhibit C**:

- The Supreme Court determined that Exhibit C was not a donation mortis causa that

required formalities of a will. It was an aleatory contract under Article 1790 of the Civil Code.

- The agreement was mutual, based on the uncertain event of who would die first, which determined the transfer of ownership.

2. **Aleatory Contract Validity**:

- The contract, as any other, was binding and enforceable upon both parties.

- Since Leonarda died first, Juana rightfully acquired ownership of the house. Had Juana died first, Leonarda would have acquired Juana's automobile and furniture.

3. **Court's Conclusion**:

- The Supreme Court affirmed the lower court's decision, validating the transfer of the house's ownership to Juana upon Leonarda's passing under the terms of Exhibit C.

Doctrine:

- **Aleatory Contract**:

- Defined under the Civil Code, where one or both parties bind themselves to certain obligations depending on an uncertain event or an event that will occur at an indeterminate time (Article 1790, Civil Code).

- This case reinforces the validity and enforceability of aleatory contracts, emphasizing the binding nature of mutual agreements dependent on future uncertain events.

Class Notes:

- **Aleatory Contracts (Article 1790, Civil Code)**:

- Essential Elements:

1. Mutual obligations.

2. Dependent on an uncertain event.

3. Event occurring at an indeterminate time.

- **Distinction between Donations Mortis Causa and Aleatory Contracts**:

- Donations mortis causa require formalities akin to wills.

- Aleatory contracts hinge on uncertain future events and are enforceable as binding agreements without need for formalities of a will.

Historical Background:

- The case illustrates early 20th-century Philippine jurisprudence concerning property and contract law.

- Reflects legal principles' application in determining rightful ownership through mutual

contracts amongst non-married persons cohabitating as companions.

- Demonstrates the judiciary's function in differentiating between donation forms and validating complex property agreements outside the traditional family or marital contexts.