

SALE DE PORKAN, PLAINTIFF AND APPELLANT, VS. ALFREDO YATCO ET AL., DEFENDANTS AND APPELLEES.*G.R. No. 47118. June 25, 1940*

Ponente: LAUREL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-47118/>**LAUREL, J.:**

Sale de Porkan, the plaintiff-appellant here, is the owner of three hectares of land situated in the municipality of Tagun, Province of Davao which he leased to Dengo Sawada, a Japanese subject, for a period of ten years. By the terms and conditions of the contract (Exhibit A), Dengo Sawada covenanted to deliver as rental, within ten years, the amount of ₱3,000, to pay the taxes on the land and its improvements, to plant abaca and coconut trees and to introduce other betterments, and to surrender the possession of the land, with all its accretions, without reimbursement to the lessor at the expiration of the term.

During his lifetime and while the agreement was operative, Dengo Sawada constructed three houses of mixed materials on the land, and afterwards declared them in his name for taxation purposes. Sawada failed to make the required payments and for this reason, upon his death, his widow, Chika de Sawada, entered into an agreement (Exhibit B) with Sale de Porkan rescinding the lease contract, and transferring the ownership of the houses to the latter. Subsequently, however, it was found that Dengo Sawada was indebted to the Government in the amount of ₱911.74 for sales tax, corresponding to 1% per cent including 25 per cent surcharge on ₱48,626.34, the value of the logs sold by him to the Tagun Trading Co. To recover this amount, levy was sought to be made on the houses in question.

On September 21, 1936, Sale de Porkan instituted this proceeding in the Court of First Instance of Davao praying for the issuance of a preliminary injunction to restrain the confiscation and sale at public auction of the three houses. The case was submitted for decision upon an agreed stipulation of facts. On October 13, 1937, the lower court entered judgment for the defendant declaring Exhibit B, the contract between Sale de Porkan and Chika de Sawada, null and void for lack of approval of the provincial governor or his legal representative as required under section 145 of the Administrative Code of Mindanao and Sulu, and awarding the houses to the heirs of the deceased Dengo Sawada, subject to the payment of sales tax and surcharges claimed by the Government. Sale de Porkan has appealed to this court. The assignment of errors centers around the validity of the agreement, Exhibit B, between Sale de Porkan and Chika de Sawada.

Sections 145 and 146 provide as follows:

"Sec. 145. Contracts with non-Christians: requisites,— Save and except contracts of sale or barter of personal property and contracts of personal service comprehended in chapter seventeen hereof no contract or agreement shall be made in the Department by any person with any Moro or other non-Christian tribe or portion thereof the Department or with any individual Moro or other non-Christian inhabitant of the same for the payment or delivery of money or other thing of value in present or in prospective, or in any manner affecting or relating to any real property, unless such contract or agreement be executed and approved as follows:

" (a) Such contract or agreement shall be in writing, and a duplicate thereof delivered to each party.

"(b) It shall be executed before a judge of a court of record, justice or auxiliary justice of the peace, or notary public, and shall bear the approval of the provincial governor wherein the same was executed or his representative duly authorized in writing for such purpose, indorsed upon it.

"(c) It shall contain the names of all parties in interest, their residence and occupation; and if made with any aforementioned tribe or portion thereof, by their tribal authorities, the scope of authority and the reason for exercising that authority, shall be specifically stated.

" (d) It shall state the time when and place where made, the particular purpose for which made, the special thing or things to be done under it, and, if for the collection of money, the basis of the claim, the source from which it is to be collected and the person or persons to whom payment is to be made, the disposition to be made thereof when collected, the amount or rate per centum of the fee in all cases; and if any contingent matter or condition constitutes a part of the contract or agreement, the same shall be specifically set forth.

"(e) Where such contract or agreement is executory, it shall have a fixed limited time to run, which shall be distinctly stated.

" (f) The judge, justice or auxiliary justice of the peace, or notary public before whom such contract or agreement is executed shall certify officially thereon the time when and the place where such contract or agreement was executed, and that it was in his presence, and who are the interested parties thereto, as stated to him at the time; the parties making the same; the source and extent of authority claimed at the time by the contracting parties to make the contract or agreement, and whether made in person or by agent or attorney of any party or parties thereto.

"Sec. 146. Void contracts.—Every contract or agreement made in violation of the next preceding section shall be null and void; and all money or other thing of value paid to any person by any aforesaid Moro or non-Christian inhabitant or tribe or portion thereof, or any other person, for or on his or their behalf, thereunder or pursuant thereto may be recovered by suit in the name of the province wherein the contract was executed in any court of competent jurisdiction; and one-half thereof shall be paid to the person suing for the same, and the other half shall be paid into the treasury of the province wherein the contract was executed for the use of the aforesaid Moro or non-Christian inhabitant or tribe or portion thereof by or for whom it was so paid."

Section 145 declares that no contract or agreement relating to real property shall be made by any person with any non-Christian inhabitant of the Department of Mindanao and Sulu, unless such contract shall bear the approval of the provincial governor of the province wherein the contract was executed, or his representative duly authorized for such purpose in writing indorsed upon it. Section 146 avoids any contract entered into in violation of section 145.

Subject to exceptions therein provided, sections 145 and 146 are applicable only to contracts or agreements in which one of the parties at least is a Moro or non-Christian. This fact must appear either by admission of the parties or by some evidence on record sufficient to establish it. The name "Sale de Porkan" perhaps led to the assumption that the plaintiff was a Moro or non-Christian, but an essential fact cannot be assumed. The Solicitor-General also claims that Chika de Sawada, wife of Dengo Sawada, is a non-Christian, but this is another assumption. Upon the other hand, on the hypothesis that the plaintiff-appellant here was a Moro or non-Christian when he entered into the contract, Exhibit B, we are not inclined under the circumstances to adhere to the literal and strict requirement of the law with reference to the approval of the provincial governor in this case. The foregoing provisions requiring, among other things, the approval of the provincial governor to any contract or agreement therein mentioned and declaring any such contract or agreement executed otherwise void are intended to protect the non-Christian inhabitants from those who are inclined to prey upon their ignorance or ductility. But

if the contract, Exhibit B, is avoided, the result would be just the contrary, for the non-Christian plaintiff-appellant here would be divested of ownership over the houses which were ceded to him by Chika de Sawada and which he now possesses. This would defeat the legislative aim and purpose, destroy substantial equities, and thwart the postulates of natural justice. In this connection, we also observe that the National Assembly, keeping pace with the progress achieved by our non-Christian brethren, has to some extent relaxed the paternalistic policy (section 120, Commonwealth Act No. 141; Cf. section 118, Act No. 2874.)

The agreement, Exhibit B, is declared valid and subsisting, and the judgment of the lower court is accordingly reversed without pronouncement regarding costs.

So ordered.

Avanceña, C.J., Imperial, Diaz, Concepcion, and Moran, JJ., concur.

Judgement reversed.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.