

Title: Melania A. Roxas vs. Hon. Court of Appeals and Antonio M. Cayetano

Facts:

1. Melania A. Roxas and Antonio S. Roxas were legally married but living separately. Antonio S. Roxas entered into a contract of lease on March 30, 1987, with Antonio M. Cayetano, for a portion of a conjugal lot located at Quirino Highway, Novaliches, Quezon City, without Melania's knowledge and consent.
2. Melania had planned a business venture—a flea market and mini-mart—on the said property, for which she had already incurred expenses amounting to P135,000 and anticipated earning P500 monthly in net income.
3. Her business permit renewal was denied because Antonio M. Cayetano had already obtained approval for a similar venture on the lot.
4. Due to the unlawful lease, Melania filed a complaint seeking redress and damages, including attorney's fees.
5. Antonio M. Cayetano moved to dismiss the complaint, arguing it did not state a cause of action, while Antonio S. Roxas responded with an answer.
6. The trial court dismissed the complaint, stating it lacked sufficient cause of action. Melania's motion for reconsideration was denied.
7. Melania appealed to the Supreme Court, which initially referred the matter to the Court of Appeals.
8. The Court of Appeals affirmed the trial court's decision in toto. Melania then petitioned the Supreme Court for review.

Issues:

1. Whether a husband, as the administrator of the conjugal partnership, can legally lease conjugal real property without the wife's consent.
2. Whether a lease agreement constitutes an encumbrance or alienation under the provisions of the Civil Code requiring the wife's consent.

Court's Decision:

1. The Supreme Court concluded that under Articles 165 and 166 of the Civil Code, a husband acting as the administrator has limitations and cannot alienate or encumber conjugal realty without the wife's consent unless specific exceptions apply.
2. The Court ruled that a lease is indeed an encumbrance, as it allows the lessee use and possession of the property, burdening the land, thereby requiring the wife's consent.
3. The contract in question, being without the wife's consent, was rendered voidable and subject to annulment under Article 173, allowing Melania to assert a cause of action for

annulment against both her husband and lessee.

4. The decision of the Court of Appeals was set aside, and the case was remanded to the Regional Trial Court for further proceedings.

Doctrine:

1. Article 166 of the Civil Code mandates that a husband cannot encumber or alienate conjugal real property without the wife's consent, underlining the principle of mutual administration and protection of conjugal assets.

2. A lease of conjugal property is considered an encumbrance and requires the consent of both spouses.

Class Notes:

- **Conjugal Partnership**: The husband is the default administrator, with responsibilities including support obligations.

- **Consent in Transactions**: For acts that alienate or encumber, such as leases, the consent of both spouses is necessary.

- **Voidable Contracts**: Those entered into without necessary spousal consent can be annulled under Article 173.

- **Legal Definitions**:

- **Alienation**: Transfer of property ownership or title.

- **Encumbrance**: Burden on property affecting its use or value, including leases.

- **New Civil Code References**:

- Article 165: Husband as administrator.

- Article 166: Restrictions on alienation and encumbrance.

- Article 173: Remedies for lack of spousal consent.

Historical Background:

The case arose in the context of traditional roles assigned by the New Civil Code (enforced since 1950), which originally ascribed the role of administrator of conjugal properties primarily to husbands. However, the principles of equal partnership began to assert more prevalent roles for wives, ensuring that their consent is indispensable in certain property transactions, reflecting evolving gender equality norms within jurisprudential reform.