43 Phil. 562

[G. R. No. 17783. June 22, 1922]

DI SIOCK JIAN, AS GUARDIAN OF THE MINORS SY KIONG CHUAN AND FLORENCIA SY LIOC SUY, PLAINTIFF AND APPELLANT, VS. SY LIOC SUY ET AL., DEFENDANTS AND APPELLEES.

D E C I S I O N

VILLAMOR, J.:

The plaintiff, in her capacity as guardian of the minors Sy Kiong Chuan and Florencia Sy Lioc Suy, asks that the contract of purchase and sale Exhibit C be declared void as it was made to defraud said minors; that the title of the said minors to the property donated to them and described in Exhibits A and B be recognized; that in the event that the defendants should have transferred said property to an innocent third person, the defendants' be sentenced to pay jointly and severally to the plaintiff the sum of one hundred twenty thousand pesos (P120,000) as the reasonable value of said property; that the defendants be prohibited from selling, transferring, or, otherwise, disposing of, the property thus donated pending this litigation; that a copy of this complaint be sent to the registrar of deeds of Manila for its notation; and that said plaintiff be granted such further relief as may be deemed equitable.

The defendants, in turn, ask that judgment be entered to the effect that the document Exhibit A (of donation) is null and void; that the defendants See Kiong Pha, See Kiong Land, See Kiong Chian and See Kong Thi are the only legal owners of the property described in said document, and that the plaintiff render an account of all the moneys received by her as rent of said property with interest and costs.

The parties have agreed on the following facts which they submitted to the court a quo for decision:

> "1. The allegations of the first three paragraphs of the plaintiff's complaint;

"2. That the originals of the copies of the documents attached to the plaintiff's complaint were executed on the dates therein set out by the parties whose names appear therein;

"3. That on the date of the execution of Exhibit B attached to the complaint, Di Siock Jian was not the judicially appointed guardian of the property of the plaintiff minors, but she was the mother of said minors; that later, on December 9, 1919, she was appointed by the Court of First Instance of Manila as guardian of the persons and properties of said minors;

"4. That after the execution of Exhibits A and B, Di Siock Jian took possession of, and managed, the property described in said exhibits, and collected the rents on said property and paid tax thereon up to the end of July, 1919, on behalf of the said minors;

"5. All the defendants had knowledge of the existence of the documents Exhibits A and B and of the facts mentioned in the preceding paragraph;

"6. Exhibits A and B were not registered;

"7. On July 5, 1919, Sy Lioc Suy executed the document hereto attached, marked Exhibit D;

"8. On July 12,1919, the defendant Sy Lioc Suy executed the deed, a copy of which marked Exhibit C is attached to the complaint, which deed was presented to the registrar of deeds, and a certificate of title issued under Act No. 496 in favor of Sy Lioc Suy's codefendants who are mentioned in said exhibit as purchasers;

"9. That the land in litigation was registered under the provisions of the Mortgage Law in the name of Sy Lioc Suy in the year 1899, and that said land, with the improvements thereon, was registered under the provisions of Act No. 496 in the year 1914 and stood in his name in the registry under said Act No. 496 until the conveyance was effected by virtue of the deed Exhibit C;

"10. That Sy Uy Si, the former wife of Sy Lioc Suy, and mother of his codefendants, died in the year 1909;

"11. The plaintiffs admit that no liquidation or distribution of the conjugal

> property was made after the death of the first wife of Sy Lioc Suy in 1909, but the plaintiffs allege that this fact is irrelevant, immaterial and incompetent, and they object to it being considered by the court, and shall be deemed to have excepted to the ruling of the court in the event that it be taken into consideration."

In view thereof the court adjudicated the case, declaring the defendants See Kiong Pha, See Kiong Land, See Kiong Chian, and See Kiong Thi the sole owners of the estate in question and sentenced the plaintiff to render an account of all the rents, profits, and income obtained or received by her from the said property since February 9, 1920, the date of the filing of the first answer of the defendants.

The seven errors assigned by the appellant have reference to the legal requisites for the validity of a donation, and to the power of the donor to revoke it; while error No. 8 is concerned with the nullity of the sale of the property donated, for having been fraudulently made. The last error assails the omission of the court *a quo* to decree the registration of the donation in the name of the donees.

It appears that Sy Lioc Suy, one of the defendants, executed on April 23, 1918, a deed of donation Exhibit A in favor of his minor children represented by their mother, the herein plaintiff, which was accepted on the same date in the document Exhibit B. Later on, that is, on July 5, 1919, the same Sy Lioc Suy executed the document Exhibit D, revoking said donation, and on July 12 of the same year, he executed another document of purchase and sale of the same property, Exhibit C, in favor of the other defendants in the amount of P45,000.

The first question raised by the appellant deals with the nature of the donation under consideration. The fifth clause of the deed of donation contains an obligation on the part of the person, accepting the donation on behalf of the donees, to provide the donee with lodging, food, clothing, and laundry, medical attendance and medicine, and all other things necessary for his subsistence during his lifetime, this obligation to cease upon the destruction of the property by accident or fortuitous event.

The appellant contends that such a donation is pure, and not, as was held by the court a quo, conditional or onerous. We concur with the trial court in that this donation involves a condition or burden which must be complied with by the donees.

Articles 618 and 619 of the Civil Code give an idea of the different kinds of donations which treatise writers call simple, remuneratory, and conditional. Defining these donations, Manresa says: "Simple are those referred to in article 618 and first part of 619. Remuneratory or compensatory are the rest, as can be deduced from article 622. Of these, some remunerate services previously rendered, and they are the remuneratory proper, and the others compensate a burden, encumbrance or condition imposed upon the donee, of lesser value than the thing donated, and may be called conditional donations. Besides, article 622 speaks of donations for a valuable consideration, such as those that remunerate services which constitute demandable debts, that is, debts which give rise to an action against the donor or impose upon the donee a burden equivalent to the value of the so-called donations. The conditional donations are also regarded by article 638 as onerous." (5 Manresa, 74.)

In the case of Castillo vs. Castillo and Quizon (23 Phil., 364), this court, speaking through the late Chief Justice Arellano, said:

> "* * * If this alleged gift was really made, it was one of those mentioned in article 619 of the aforecited code, as being a gift 'which imposes upon the donee a burden inferior to the value of the gift,' for Simona Madlangbayan apparently stated in the said instrument that she delivered the land to Urbano Castillo in order that he defray the expenses of her subsistence and burial, 'and if perchance anything should remain from the price of the land, the surplus of the said expenses (?) *is granted* to him by me.' A gift of this kind is not in fact a gift for a valuable consideration, but is remuneratory or compensatory, made for the purpose of remunerating or compensating a charge, burden or condition imposed upon the donee, inferior to the value of the gift which, therefore, may very properly be termed to be conditional * * *."

Adhering to this doctrine, we hold that the donation in question is conditional, for the reason that it was made with the condition that the person accepting it on behalf of the minor donees, should defray his lodging, food, clothing, and laundry and fulfill the other obligations stated in the said clause of the donation.

Let us now inquire whether this donation was duly accepted. Article 626 of the Civil Code provides that persons who cannot enter into a contract cannot accept conditional or onerous donations without the intervention of their legal representatives, and according to

paragraph 3 of the stipulation of facts, the mother of the minors had not been appointed by the court as guardian of her children when she accepted said donation. Not being then the legal representative of her children, she could not validly accept said donation, for while she is considered as the natural guardian of her minor children and by virtue thereof she has the right to have them in her custody and educate them, yet this right does not extend to the properties of said minors unless declared so by the court. (Sec. 553, Code of Civil Proc.) If the donation was not duly accepted in accordance with article 629 of the Civil Code, it was not perfected, as provided in article 623, there was not any contract binding upon the donor, and nothing could, therefore, prevent him from withdrawing the offer, as he did, in the document Exhibit D.

The appellant argues that the defect in the acceptance of the donation in favor of the minor children does not render the donation absolutely, but only relatively, invalid, and that under article 1302 of the Civil Code, the father making the donation cannot set up this defect against the minor donees. In support of this contention, appellant cites the case of Barnebe vs. Sauer (18 La. Ann., 148). We have examined the case cited, and are of the opinion that the doctrine therein laid down is not applicable to the case at bar in which a conditional or onerous donation is involved. The rule established in that case is that a defect in the acceptance of a pure donation in favor of a minor makes it relatively void, and cannot be set up by a capacitated donor against an incapacitated donee. The soundness and justice of this rule are apparent if the fact is taken into account that in a pure donation no obligation is imposed upon the donee, and consequently, after the donation is perfected, no right is acquired by the donor which need be protected. In such a case, the acceptance may be said to be a mere formality required by the law for the perfection of the contract.

In discussing the capacity to accept donations, Manresa says: “Whenever the donation does not impose any obligation upon the donee, the acceptance may be made by the donee himself, although under article 1263 he cannot consent. This is very clearly inferred from article 626.

> “But this holds true only when the act itself is capable of being performed. A married woman, for instance, may make the acceptance without her husband’s consent, and a child or minor possessing sufficient knowledge, without the intervention of his parents or guardian. So also, in case of personal properties, the delivery and simultaneous receipt of the thing donated may be regarded as a sufficient acceptance, even if the donee be a child or an insane person. But how

> can he accept in writing? How can a notary authorize the deed of donation of real properties, containing the impossible consent and absurd acceptance of an insane person or an infant who can not speak? This legal provision must be reasonably applied,—when the acceptance can not be made by the donees themselves, the donations, whether pure or conditional, must be accepted by their legal representatives in harmony with the spirit of article 627. This appears to be recognized or admitted by article 631 as a truth of common sense. To hold otherwise would be to regard the acceptance as a useless and ridiculous formality, which is not, indeed, in harmony with the spirit prevailing in the Code on this matter." (5 Manresa, 3d ed., 98.)

But in a conditional or onerous donation in favor of minors, as is the case under consideration, there is stronger reason for requiring the intervention of their legal representatives because it goes to the validity of the acceptance in such a way that the lack of this legal requisite renders the act void and of no effect; and this is so, in the first place, because no one can contract in the name of another without being authorized by him or without having his legal representation (art. 1259, Civ. Code), and in the second place, because obligations arising from contract have the force of law between the contracting parties and must be performed in accordance with their stipulations (art. 1091, Civ. Code) and it is precisely because, as in the case at bar, certain obligations are imposed, upon the donees, that the consent to assume them is required to be given by their legal representative to protect the rights of the donor. If the mother who accepted the conditional donation was the legal representative of her children, the acceptance is valid; if she did not have their legal representation, it is void, as made in violation of the law.

Appellant insists that, under article 1302 of the Civil Code, the father who made the donation, being *sui juris*, cannot allege the incapacity of the minor donees for the purpose of annulling the donation in question. But it must be noted that the question under discussion does not consist in that the minors, who cannot give consent, have entered into the contract of donation, but in that the person who intervened in the acceptance did not have their legal representation. In our opinion, article 1302 of the Civil Code is not applicable to the present case. It is taken for granted that persons who cannot give consent may accept conditional or onerous donations, but with the intervention of their legal representatives. Article 626 provides for the procedure to be followed in order that a conditional or onerous donation may be validly accepted by an incapacitated person. If this procedure is not followed, there is no valid acceptance, and without acceptance, there is, and cannot be, any donation.

Another error assigned by the appellant is the finding of the trial court that this donation lacks the formalities required by law in that it was not noted in the deed of donation that notice of the acceptance was given to the donor by the mother of the minors. In the hypothesis that the acceptance is valid, if it is made in a separate public writing, the notice of the acceptance must be noted not only in the document containing the acceptance, but also in the deed of donation, in accordance with article 633 of the Civil Code. Commenting upon this article, Manresa says: "If the acceptance does not appear in the same document, it must be made in another. Solemn words are not necessary; it is sufficient if it shows the intention to accept. But in this case, it is necessary that formal notice thereof be given to the donor, and the fact that due notice has been given must be noted in both instruments (that containing the offer to donate and that showing the acceptance). Then and only then is the donation perfected (art. 623)." (5Manresa, 115.)

And in the case of Santos vs. Robledo (28 Phil., 245), this court said:

> "So important is the donee's acceptance with the notice to the donors of his acceptance in order that the latter may have full force and effect, that when the instrument which has been drawn up is recorded in the registry of property, the document that evidences the acceptance-if this has not been made in the deed of gift-should also be recorded. And in one or both documents, as the case may be, the notification of the acceptance as formally made to the donor or donors should be duly set forth. These requisites, definitely prescribed by law, have not been complied with, and no proof that they have appears in the record."

The appellant questions the title of the defendants and contends that the purchase made by them of the property in question is fraudulent. This contention is untenable. There is not in the record any evidence of fraud, with the exception of the knowledge which the defendants had of the documents, Exhibits A and B. But such knowledge is no proof of bad faith, if it is taken into account that they knew, on the other hand, that the offer to donate had been withdrawn by the donor in the document, Exhibit D; that said documents, Exhibits A and B, were not recorded in the registry of property; and that the vendor was the only person appearing in the registry as owner of the property.

Fraud, as defined in the case of Grey Alba vs. De la Cruz (17 Phil., 49), means actual fraud, dishonesty of some sort, with intent to deceive and deprive another of his right or in some manner to injure him. It having been demonstrated that the donation is void, the donees

could not have derived from it any right over the property in question, which could have been prejudiced by the purchase made by the defendants. But ignoring the donation and supposing that the mother was in possession of the property in the name of the minors, the property belonging to the father or to the conjugal partnership, the knowledge which the defendants had of said possession does not prove bad faith on their part in purchasing the property, nor indicate any intention to prejudice any right of the mother or the minors, for, so long as the father is alive, their right over his properties is but a right in expectancy, unless they should have acquired them by a legal transfer.

The due execution of the document Exhibit C being admitted in the stipulation of facts, and it appearing that the registered title of the vendor contained nothing restrictive of his right to dispose of the property in question, and the title of the purchasers having been registered in the registry of property, it is clear, in our opinion, that said purchasers acquired an irrevocable right over the said property.

For the foregoing reasons, the judgment appealed from must be, as is hereby, affirmed with costs against the appellant. Bo ordered.

Araullo, C. J., Avanceña, Ostrand, Johns, and *Romualdez, JJ.,* concur.

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