



**Republic of the Philippines
Supreme Court
Manila**

SECOND DIVISION

WILLEM BEUMER,

Petitioner,

- versus -

AVELINA AMORES,

Respondent.

G.R. No. 195670

Present:

CARPIO, *Chairperson*,
BRION,
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, *JJ.*

Promulgated:

DEC 03 2012 *HM Cabalag Inflecto*

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DECISION

PERLAS-BERNABE, J:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the October 8, 2009 Decision² and January 24, 2011 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 01940, which affirmed the February 28, 2007 Decision⁴ of the Regional Trial Court (RTC) of Negros Oriental, Branch 34 in Civil Case No. 12884. The foregoing rulings dissolved the conjugal partnership of gains of Willem

¹ *Rollo*, pp. 11-25.

² Penned by Acting Executive Justice Franchito N. Diamante, with Associate Justices Edgardo L. Delos Santos and Samuel H. Gaerlan, concurring. *Id.* at 26-38.

³ Penned by Associate Justice Edgardo L. Delos Santos, with Associate Justices Agnes Reyes-Carpio and Eduardo B. Peralta, Jr., concurring. *Id.* at 45-46.

⁴ Penned by Judge Rosendo B. Bandal, Jr. *Id.* at 80-86.

Beumer (petitioner) and Avelina Amores (respondent) and distributed the properties forming part of the said property regime.

The Factual Antecedents

Petitioner, a Dutch National, and respondent, a Filipina, married in March 29, 1980. After several years, the RTC of Negros Oriental, Branch 32, declared the nullity of their marriage in the Decision⁵ dated November 10, 2000 on the basis of the former's psychological incapacity as contemplated in Article 36 of the Family Code.

Consequently, petitioner filed a Petition for Dissolution of Conjugal Partnership⁶ dated December 14, 2000 praying for the distribution of the following described properties claimed to have been acquired during the subsistence of their marriage, to wit:

By Purchase:

- a. Lot 1, Block 3 of the consolidated survey of Lots 2144 & 2147 of the Dumaguete Cadastre, covered by Transfer Certificate of Title (TCT) No. 22846, containing an area of 252 square meters (sq.m.), including a residential house constructed thereon.
- b. Lot 2142 of the Dumaguete Cadastre, covered by TCT No. 21974, containing an area of 806 sq.m., including a residential house constructed thereon.
- c. Lot 5845 of the Dumaguete Cadastre, covered by TCT No. 21306, containing an area of 756 sq.m.
- d. Lot 4, Block 4 of the consolidated survey of Lots 2144 & 2147 of the Dumaguete Cadastre, covered by TCT No. 21307, containing an area of 45 sq.m.

⁵ See Annex "E" of the Petition. Penned by Judge Eleuterio E. Chiu (Civil Case No. 11754). Id. at 53-62.

⁶ Annex "E" of the Petition. Id. at 47-52.

By way of inheritance:

- e. 1/7 of Lot 2055-A of the Dumaguete Cadastre, covered by TCT No. 23567, containing an area of 2,635 sq.m. (the area that appertains to the conjugal partnership is 376.45 sq.m.).
- f. 1/15 of Lot 2055-I of the Dumaguete Cadastre, covered by TCT No. 23575, containing an area of 360 sq.m. (the area that appertains to the conjugal partnership is 24 sq.m.).⁷

In defense,⁸ respondent averred that, with the exception of their two (2) residential houses on Lots 1 and 2142, she and petitioner did not acquire any conjugal properties during their marriage, the truth being that she used her own personal money to purchase Lots 1, 2142, 5845 and 4 out of her personal funds and Lots 2055-A and 2055-I by way of inheritance.⁹ She submitted a joint affidavit executed by her and petitioner attesting to the fact that she purchased Lot 2142 and the improvements thereon using her own money.¹⁰ Accordingly, respondent sought the dismissal of the petition for dissolution as well as payment for attorney's fees and litigation expenses.¹¹

During trial, petitioner testified that while Lots 1, 2142, 5845 and 4 were registered in the name of respondent, these properties were acquired with the money he received from the Dutch government as his disability benefit¹² since respondent did not have sufficient income to pay for their acquisition. He also claimed that the joint affidavit they submitted before the Register of Deeds of Dumaguete City was contrary to Article 89 of the Family Code, hence, invalid.¹³

⁷ Id. at 48-49a.

⁸ See attached as Annex "E" of the Petitioner. Respondent's Answer. Id. at 76-79.

⁹ Id. at 76.

¹⁰ Id. at 79.

¹¹ Id. at 77.

¹² Id. at 81.

¹³ Id. at 82.

For her part, respondent maintained that the money used for the purchase of the lots came exclusively from her personal funds, in particular, her earnings from selling jewelry as well as products from Avon, Triumph and Tupperware.¹⁴ She further asserted that after she filed for annulment of their marriage in 1996, petitioner transferred to their second house and brought along with him certain personal properties, consisting of drills, a welding machine, grinders, clamps, etc. She alleged that these tools and equipment have a total cost of ₱500,000.00.¹⁵

The RTC Ruling

On February 28, 2007, the RTC of Negros Oriental, Branch 34 rendered its Decision, dissolving the parties' conjugal partnership, awarding all the parcels of land to respondent as her paraphernal properties; the tools and equipment in favor of petitioner as his exclusive properties; the two (2) houses standing on Lots 1 and 2142 as co-owned by the parties, the dispositive of which reads:

WHEREFORE, judgment is hereby rendered granting the dissolution of the conjugal partnership of gains between petitioner Willem Beumer and [respondent] Avelina Amores considering the fact that their marriage was previously annulled by Branch 32 of this Court. The parcels of land covered by Transfer Certificate of Titles Nos. 22846, 21974, 21306, 21307, 23567 and 23575 are hereby declared paraphernal properties of respondent Avelina Amores due to the fact that while these real properties were acquired by onerous title during their marital union, Willem Beumer, being a foreigner, is not allowed by law to acquire any private land in the Philippines, except through inheritance.

The personal properties, i.e., tools and equipment mentioned in the complaint which were brought out by Willem from the conjugal dwelling are hereby declared to be exclusively owned by the petitioner.

The two houses standing on the lots covered by Transfer Certificate of Title Nos. 21974 and 22846 are hereby declared to be co-owned by the petitioner and the respondent since these were acquired

¹⁴ Id.

¹⁵ Id.

during their marital union and since there is no prohibition on foreigners from owning buildings and residential units. Petitioner and respondent are, thereby, directed to subject this court for approval their project of partition on the two house[s] aforementioned.

The Court finds no sufficient justification to award the counterclaim of respondent for attorney's fees considering the well settled doctrine that there should be no premium on the right to litigate. The prayer for moral damages are likewise denied for lack of merit.

No pronouncement as to costs.

SO ORDERED.¹⁶

It ruled that, regardless of the source of funds for the acquisition of Lots 1, 2142, 5845 and 4, petitioner could not have acquired any right whatsoever over these properties as petitioner still attempted to acquire them notwithstanding his knowledge of the constitutional prohibition against foreign ownership of private lands.¹⁷ This was made evident by the sworn statements petitioner executed purporting to show that the subject parcels of land were purchased from the exclusive funds of his wife, the herein respondent.¹⁸ Petitioner's plea for reimbursement for the amount he had paid to purchase the foregoing properties on the basis of equity was likewise denied for not having come to court with clean hands.

The CA Ruling

Petitioner elevated the matter to the CA, contesting only the RTC's award of Lots 1, 2142, 5845 and 4 in favor of respondent. He insisted that the money used to purchase the foregoing properties came from his own capital funds and that they were registered in the name of his former wife only

¹⁶ Id. at 85-86.

¹⁷ Id. at 84, citing *Cheesman v. Intermediate Appellate Court*, G.R. No. 74833, January 21, 1991, 193 SCRA 93, 103.

¹⁸ Id.

because of the constitutional prohibition against foreign ownership. Thus, he prayed for reimbursement of one-half (1/2) of the value of what he had paid in the purchase of the said properties, waiving the other half in favor of his estranged ex-wife.¹⁹

On October 8, 2009, the CA promulgated a Decision²⁰ affirming *in toto* the judgment rendered by the RTC of Negros Oriental, Branch 34. The CA stressed the fact that petitioner was “well-aware of the constitutional prohibition for aliens to acquire lands in the Philippines.”²¹ Hence, he cannot invoke equity to support his claim for reimbursement.

Consequently, petitioner filed the instant Petition for Review on *Certiorari* assailing the CA Decision due to the following error:

UNDER THE FACTS ESTABLISHED, THE COURT ERRED IN NOT SUSTAINING THE PETITIONER’S ATTEMPT AT SUBSEQUENTLY ASSERTING OR CLAIMING A RIGHT OF HALF OR WHOLE OF THE PURCHASE PRICE USED IN THE PURCHASE OF THE REAL PROPERTIES SUBJECT OF THIS CASE.²² (Emphasis supplied)

The Ruling of the Court

The petition lacks merit.

The issue to be resolved is not of first impression. In *In Re: Petition For Separation of Property-Elena Buenaventura Muller v. Helmut Muller*²³

¹⁹ Id. at 91.

²⁰ Id. at 26-38.

²¹ Id. at 33.

²² Id. at 17.

²³ G.R. No. 149615, August 29, 2006, 500 SCRA 65.

the Court had already denied a claim for reimbursement of the value of purchased parcels of Philippine land instituted by a foreigner Helmut Muller, against his former Filipina spouse, Elena Buenaventura Muller. It held that Helmut Muller cannot seek reimbursement on the ground of equity where it is clear that he willingly and knowingly bought the property despite the prohibition against foreign ownership of Philippine land²⁴ enshrined under Section 7, Article XII of the 1987 Philippine Constitution which reads:

Section 7. Save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain.

Undeniably, petitioner openly admitted that he “is well aware of the [above-cited] constitutional prohibition”²⁵ and even asseverated that, because of such prohibition, he and respondent registered the subject properties in the latter’s name.²⁶ Clearly, petitioner’s actuations showed his palpable intent to skirt the constitutional prohibition. On the basis of such admission, the Court finds no reason why it should not apply the *Muller* ruling and accordingly, deny petitioner’s claim for reimbursement.

As also explained in *Muller*, the time-honored principle is that he who seeks equity must do equity, and he who comes into equity must come with clean hands. Conversely stated, he who has done inequity shall not be accorded equity. Thus, a litigant may be denied relief by a court of equity on the ground that his conduct has been inequitable, unfair and dishonest, or fraudulent, or deceitful.²⁷

²⁴ Id. at 72.

²⁵ *Rollo*, p. 17.

²⁶ Id. at 18.

²⁷ *Supra* note 23 at 73, citing *University of the Philippines v. Catungal, Jr.*, 338 Phil. 728, 734-744 (1997).

In this case, petitioner's statements regarding the real source of the funds used to purchase the subject parcels of land dilute the veracity of his claims: While admitting to have previously executed a joint affidavit that respondent's personal funds were used to purchase Lot 1,²⁸ he likewise claimed that his personal disability funds were used to acquire the same. Evidently, these inconsistencies show his untruthfulness. Thus, as petitioner has come before the Court with unclean hands, he is now precluded from seeking any equitable refuge.

In any event, the Court cannot, even on the grounds of equity, grant reimbursement to petitioner given that he acquired no right whatsoever over the subject properties by virtue of its unconstitutional purchase. It is well-established that equity as a rule will follow the law and will not permit that to be done indirectly which, because of public policy, cannot be done directly.²⁹ Surely, a contract that violates the Constitution and the law is null and void, vests no rights, creates no obligations and produces no legal effect at all.³⁰ Corollary thereto, under Article 1412 of the Civil Code,³¹ petitioner cannot have the subject properties deeded to him or allow him to recover the money he had spent for the purchase thereof. The law will not aid either party to an illegal contract or agreement; it leaves the parties where it finds them.³² Indeed, one cannot salvage any rights from an unconstitutional transaction knowingly entered into.

²⁸ Id. at 82.

²⁹ *Frenzel v. Catito*, G.R. No. 143958, July 11, 2003, 406 SCRA 55, 70.

³⁰ Id. at 69-70, citing *Chavez s. Presidential Commission on Good Government*, 307 SCRA 394 (1998).

³¹ Re: Art. 1412. If the act in which the unlawful or forbidden cause consists does not constitute a criminal offense, the following rules shall be observed:

- (1) When the fault is on the part of both contracting parties, neither may recover what he has given by virtue of the contract, or demand the performance of the other's undertaking

x x x x

³² Id., citing *Rellosa v. Hun*, 93 Phil. 827 (1953).

Neither can the Court grant petitioner's claim for reimbursement on the basis of unjust enrichment.³³ As held in *Frenzel v. Catito*, a case also involving a foreigner seeking monetary reimbursement for money spent on purchase of Philippine land, the provision on unjust enrichment does not apply if the action is proscribed by the Constitution, to wit:

Futile, too, is petitioner's reliance on Article 22 of the New Civil Code which reads:

Art. 22. Every person who through an act of performance by another, or any other means, acquires or comes into possession of something at the expense of the latter without just or legal ground, shall return the same to him.

The provision is expressed in the maxim: "*MEMO CUM ALTERIUS DETER DETREMENTO PROTEST*" (No person should unjustly enrich himself at the expense of another). An action for recovery of what has been paid without just cause has been designated as an *accion in rem verso*. This provision does not apply if, as in this case, the action is proscribed by the Constitution or by the application of the *pari delicto* doctrine. It may be unfair and unjust to bar the petitioner from filing an *accion in rem verso* over the subject properties, or from recovering the money he paid for the said properties, but, as Lord Mansfield stated in the early case of *Holman v. Johnson*: "The objection that a contract is immoral or illegal as between the plaintiff and the defendant, sounds at all times very ill in the mouth of the defendant. It is not for his sake, however, that the objection is ever allowed; but it is founded in general principles of policy, which the defendant has the advantage of, contrary to the real justice, as between him and the plaintiff."³⁴ (Citations omitted)

Nor would the denial of his claim amount to an injustice based on his foreign citizenship.³⁵ Precisely, it is the Constitution itself which demarcates the rights of citizens and non-citizens in owning Philippine land. To be sure, the constitutional ban against foreigners applies only to ownership of Philippine land and not to the improvements built thereon, such as the two (2) houses standing on Lots 1 and 2142 which were properly declared to be

³³ *Rollo*, p. 20.


³⁴ *Supra* note 29 at 74, citing *I. Tolentino, Civil Code of the Philippines* (1990), p. 85 and *Marissey v. Bologna*, 123 So. 2d 537 (1960).

³⁵ *Rollo*, pp. 19-21.

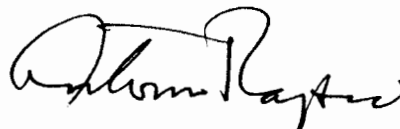
co-owned by the parties subject to partition. Needless to state, the purpose of the prohibition is to conserve the national patrimony³⁶ and it is this policy which the Court is duty-bound to protect.


WHEREFORE, the petition is **DENIED**. Accordingly, the assailed October 8, 2009 Decision and January 24, 2011 Resolution of the Court of Appeals in CA-G.R. CV No. 01940 are **AFFIRMED**.

SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice

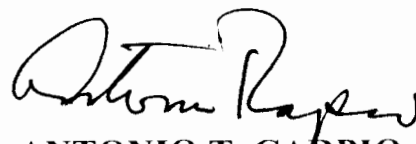

MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

³⁶ See *Krivenko v. Register of Deeds*, 79 Phil. 461 (1947).

A T T E S T A T I O N

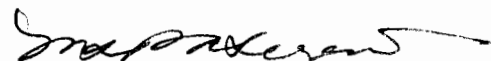
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**ANTONIO T. CARPIO**

Associate Justice
Chairperson, Second Division

C E R T I F I C A T I O N

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**

Chief Justice