Pari Delicto Rule Parried

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16 ATENEO L.J. 50 (1967)

Tags(s): Political Law, Land Title and Deeds, Pari Delicto Doctrine

The Article examines the implications and issues resolved and touched by Philippine Banking Corporation, representing the estate of Justina Santos y Canon Faustino, deceased v. Lui She, in her own behalf and as administratrix of the intestate estate of Wong Heng, deceased, 21 SCRA 52 (1967), (Santos-Wong for brevity), and how the decision of this case affected the then-prevailing doctrines on the pari delicto rule in Philippine jurisprudence, so far as the alienation of urban lands to aliens is concerned. This was done in light of the provision on the 1935 Philippine Constitution on the conservation and utilization of natural resources in the country.

The main issue dissected by the Article is whether or not the pari delicto rule will apply in cases where lands are sold to aliens with the knowledge, constructive or otherwise, that such is prohibited by law. In such cases, should the seller be allowed to recover the property sold or should they be left as is? The Paper opens by discussing a series of judicial decisions involving the same issue and also touched upon the remedies suggested and discussed in cases before Santos-Wong, namely: reversion, escheat proceedings, and legislative enactment.

The Article ends by emphasizing that in light of the Santos-Wong ruling, Filipino vendors can now reacquire properties sold to aliens, even if they were in bad faith, as this kind of illegal sale is now considered as an exception to the pari delicto doctrine. Further, the three remedies mentioned above and discussed in earlier cases are still available to Filipino vendors.