

**\*\*Title:\*\* Philip Matthews vs. Benjamin A. Taylor and Joselyn C. Taylor: A Legal Examination of Land Ownership and Alien Disqualification in the Philippines**

**\*\*Facts:\*\***

The dispute emanates from an Agreement of Lease concerning a property in Boracay, entered into on July 20, 1992, between Joselyn C. Taylor, a Filipina, as the lessor, and Philip Matthews, the petitioner, as the lessee. Benjamin A. Taylor, a British national and Joselyn's husband, challenged the agreement's validity, asserting that his consent was necessary for its execution due to his marriage to Joselyn and his financial contribution to the property's acquisition and improvement.

Joselyn acquired the subject property on June 9, 1989, and constructed improvements on it using Benjamin's funds. The operation permits for the developed resort, Admiral Ben Bow Inn, were obtained in Joselyn's sister's name, Ginna Celestino. Following marital discord, Joselyn left Benjamin and later authorized him to manage the property through a Special Power of Attorney. Despite this, she entered into the leasing agreement with Matthews, renaming the resort to Music Garden Resort.

Benjamin's action in the Regional Trial Court (RTC) of Kalibo, Aklan, resulted in a default judgment against Joselyn and Matthews, declaring the lease agreement null and void and ordering payment for damages and attorney's fees. However, upon appeal, the Court of Appeals (CA) ordered the RTC to permit Matthews to file an answer and conduct further proceedings. Both lower courts, citing the civil law and family code provisions, neglected constitutional restrictions against aliens owning land in the Philippines and concluded in favor of Benjamin.

**\*\*Issues:\*\***

1. Whether the lease agreement between Joselyn Taylor and Philip Matthews is valid despite the absence of Benjamin Taylor's consent.
2. Whether the Boracay property, acquired by Joselyn Taylor during her marriage to Benjamin Taylor, constitutes their community property, thus requiring Benjamin's consent for the lease agreement.
3. The applicability of the Family Code provisions on property relations between spouses in light of the constitutional provision prohibiting aliens from owning land in the Philippines.

**\*\*Court's Decision:\*\***

The Supreme Court reversed the decisions of the lower courts and dismissed the complaint

against Philip Matthews, emphasizing the constitutional prohibition against aliens owning land in the Philippines. Since Benjamin Taylor is a British national, he is disqualified from acquiring lands in the Philippines, and thus, any claim over the subject property, either directly or indirectly, contravenes this constitutional mandate. The Court recognized Joselyn Taylor as the sole owner of the property since the property was acquired in her name. It ruled that the lease agreement between Joselyn Taylor and Philip Matthews is valid, irrespective of Benjamin Taylor's objections, as granting him a decisive role in the disposition of the property would effectively violate the constitutional prohibition.

**\*\*Doctrine:\*\***

The case reiterates the doctrine that aliens are absolutely prohibited from acquiring lands in the Philippines, whether public or private, except in constitutionally recognized exceptions such as through hereditary succession. This constitutional prohibition aims to conserve the national patrimony.

**\*\*Class Notes:\*\***

- Constitutional Prohibition: Aliens, including foreign nationals married to Filipinos, are prohibited from owning land in the Philippines, both public and private (Section 7, Article XII of the 1987 Constitution).
- Community Property vs. Exclusive Ownership: Even if a property is acquired during marriage with funds from a foreign spouse, the property is considered exclusively owned by the Filipino spouse if registered in their name, aligning with constitutional limits on alien land ownership.
- Validity of Contracts: A lease agreement entered into by the Filipino spouse without the alien spouse's consent is valid if the property is exclusively theirs.
- Doctrine of Estoppel: A party cannot challenge a contract they have shown implied consent to or benefited from.
- Legal Status and Property Relations: The Family Code's provisions on conjugal partnership do not apply in a way that circumvents constitutional prohibitions on alien land ownership.

**\*\*Historical Background:\*\***

The prohibition against aliens owning land in the Philippines is deeply rooted in the desire to preserve the national patrimony. This principle, present in the 1935, 1973, and 1987 Constitutions, reflects a consistent policy to limit land ownership to Filipino citizens and entities majorly owned by Filipinos, safeguarding against the exploitation and undue control by foreigners over Philippine lands. The Supreme Court's decision in this case underscores the severe restrictions imposed on foreigners and highlights the protective stance of

Philippine law regarding land ownership and national sovereignty.