

Title:

Rosendo O. Chaves vs. Fructuoso Gonzales: Breach of Oral Contract for Repair Services

Facts:

Rosendo O. Chaves engaged the services of Fructuoso Gonzales, a typewriter repairer, for routine cleaning and servicing of his portable typewriter in July 1963. Despite repeated reminders, Gonzales failed to complete the job, and in October 1963, he requested P6.00 from Chaves for spare parts, which Chaves paid. On October 26, 1963, an exasperated Chaves demanded the return of his typewriter; it was returned in a wrapped package, but upon unwrapping at home, Chaves discovered the typewriter was in disarray, with missing interior cover, parts, and screws. Chaves formally demanded the missing components and the P6.00 on October 29, 1963, which were returned the next day by Gonzales.

On August 29, 1964, Chaves had the typewriter repaired by Freixas Business Machines, costing him a total of P89.85, including labor and materials. Subsequently, Chaves initiated an action before the City Court of Manila on August 23, 1965, seeking various damages and attorney's fees. The City Court awarded Chaves P31.10, covering only the value of the missing parts, and not the full cost of repair. Dissatisfied, Chaves appealed directly to the Supreme Court.

Issues:

The central legal issue resolved by the Supreme Court was whether Gonzales should be responsible for the entire cost of the repair of the typewriter, including labor and materials, under Article 1167 of the Civil Code of the Philippines which pertains to the obligations of a person who fails to fulfill a contractual duty.

Court's Decision:

The Supreme Court modified the decision of the trial court, stating that Gonzales, indeed, breached the contract by failing to repair and returning the typewriter in a damaged state. It decided that Gonzales be liable under Article 1167 for the cost of executing the obligation properly, which amounted to the full cost of the repair work (P58.75 for labor, plus P31.10 for the missing parts, totaling P89.85). The Supreme Court further rejected claims for moral and temperate damages and attorney's fees, as they were not pleaded in the complaint nor substantiated with evidence. Consequently, the final judgment ordered Gonzales to pay Chaves P89.85, with interest at the legal rate from the filing of the complaint, and costs in all instances.

Doctrine:

The Supreme Court established the interpretation of Article 1167 of the Civil Code, determining that a person who fails to perform a contractual obligation is liable for the cost of properly executing the obligation. This includes both the labor and materials necessary to fulfill the service contracted for, minus the value of any fraudulent claims not substantiated by evidence.

Class Notes:

- Contractual Obligation: The non-performance of a duty under a contract.
- Article 1167, Civil Code: Liability for failure to perform, cost of execution, or doing contrary to the obligation.
- Article 1170, Civil Code: Responsibility for damages in case of non-performance.
- Damages: Must be properly pleaded and substantiated.
- Direct Appeal to Supreme Court: Confirms the factual findings of the lower court as conclusive.
- Legal Rate of Interest: Applicable from the date of filing the complaint.

Historical Background:

This case underscores the legal principles governing contractual obligations in the Philippines during the 1960s. Despite the simplicity of the contractual arrangement for the repair of personal property, this case elucidates the broader legal ramifications of non-performance and the remedial measures available within the purview of the Civil Code. It remains a reference for similar cases involving service contracts and the restoration to the aggrieved party of a status quo akin to that prior to the breach.