

Title: Spouses Rufino and Emerita Angel vs. Simplicio Aledo and Felixberto Modales

Facts:

In November 1984, the Spouses Rufino and Emerita Angel hired Felixberto Modales, an engineer employed by the Department of Public Works and Highways, to construct a two-storey residential building in Novaliches, Quezon City. Due to Modales' government employment, the contract falsely listed Simplicio Aledo, Modales' father-in-law, as the contractor. The project involved two phases: the building's "rough finish" and later, its "finishing touches," which were completed as certified by Emerita Angel. However, Aledo filed a complaint in 1988 for unpaid balances against the Angels, who then countered, alleging Modales was the actual contractor and claimed defects in the construction. The Angels also filed a Third-Party Complaint against Modales for the alleged construction defects.

Procedurally, the case saw Aledo's complaint initially dismissed due to his non-appearance at the pre-trial, but confusion over the dismissal's scope led to the reinstatement of the Angels' counterclaim and third-party complaint against Modales. The trial court eventually ruled in favor of the Angels, awarding damages. Appeals to the Court of Appeals followed, with mixed procedural compliance leading to initially dismissed appeals. Ultimately, Modales' appeal was reconsidered, resulting in the reversal of the trial court's decision based on the illegality of the construction agreements.

Issues:

1. Whether the appeal of Modales should have been considered despite procedural lapses.
2. The legality of the construction agreements and their impact on the parties' ability to claim against each other.

Court's Decision:

The Supreme Court upheld the decision of the Court of Appeals, noting that the construction agreements were contrary to law and public policy due to Modales' position with the government and that both parties were in *pari delicto* (equally at fault), thus barring any claims against each other based on those agreements. It was highlighted that legal proceedings and judgments originating from void orders are themselves considered void.

Doctrine:

"*In pari delicto potior est conditio defendentis*" or "Of two parties equally at fault, the position of the defending party is better." Additionally, it was underscored that contracts

against public policy are void and unenforceable, and parties to an illegal agreement cannot seek relief from each other.

Class Notes:

- The principle of *pari delicto* as applied in contractual disputes, especially where contracts are null due to illegality or being against public policy.
- The significance of procedural compliance in appeals and the impact of procedural lapses.
- The treatment of mails' date of filing versus date of receipt in considering timelines for legal filings.

Historical Background:

This case elucidates the complexities surrounding contractual agreements that involve parties with limitations on their professional engagements, here highlighted by a government engineer entering a construction contract. It reinforces the importance of legality and transparency in contractual agreements, especially concerning public policy and the implications of attempting to circumvent legal restrictions for contractual engagements.