

Title:

Robern Development Corporation and Rodolfo M. Bernardo, Jr. v. People's Landless Association

Facts:

The case involves a disputed 2,000-square meter lot in Magtu-od, Davao City owned by Al-Amanah Islamic Development Bank of the Philippines (Al-Amanah) and contested by Robern Development Corporation (Robern) and the People's Landless Association (PELA). On December 12, 1992, Al-Amanah, through officer-in-charge Febe O. Dalig, informed PELA members to stop building houses on the lot or vacate unless interested in purchase. PELA expressed interest but was rejected by Al-Amanah for offering a price below the bank's asking price. On March 18, 1993, PELA formally offered P300,000 for the lot with conditions, to which Al-Amanah responded by acknowledging receipt but requiring a P150,000 deposit by April 15, 1993, as part of the processing. PELA deposited the required P150,000 by May 3, 1993.

Despite this, Al-Amanah, through Branch Manager Abraham D. Ututalum-Al Haj, informed PELA of the rejection of their offer on November 29, 1993, listing the price as significantly below the bank's asking price and instructed PELA to vacate. Meanwhile, Robern offered to purchase the lot for P400,000, which Al-Amanah's Board Operations Committee accepted on December 29, 1993. Robern sought clarification on PELA's claim to the property and proceeded with the purchase after Al-Amanah confirmed it had rejected PELA's offer. Upon learning the sale to Robern, PELA filed a suit for Annulment and Cancellation of Void Deed of Sale against Al-Amanah and Robern, claiming a perfected contract of sale with Al-Amanah.

The RTC dismissed PELA's claim due to lack of a perfected contract. However, the CA reversed the RTC's decision, finding a perfected contract between PELA and Al-Amanah and ruled in PELA's favor, which prompted Robern and Al-Amanah to file Petitions for Review on Certiorari before the Supreme Court. Al-Amanah's petition was dismissed on procedural grounds.

Issues:

1. Whether there was a perfected contract of sale between PELA and Al-Amanah.
2. Whether the sale of the lot to Robern should be sustained or annulled.

Court's Decision:

The Supreme Court partially granted the petition, reinstating and affirming the RTC's decision, dismissing the complaint for Annulment and Cancellation of Void Deed of Sale filed by PELA. The Court found no perfected contract of sale between PELA and Al-Amanah for want of consent and agreement on the price, thus there was no obstacle to the consummated sale between Al-Amanah and Robern.

Doctrine:

For a contract of sale to be valid, all the following essential elements must concur: a) consent or meeting of the minds; b) determinate subject matter; and c) price certain in money or its equivalent. A mere offer by one party without acceptance by the other does not constitute a contract.

Class Notes:

- **Essential Elements of a Contract of Sale**: Consent, determinate subject matter, and price certain in money or its equivalent.
- **Authority in Corporations**: Corporate powers, including the power to sell property, are exercised by the board of directors or trustees.
- **Doctrine of Negotiation, Perfection, and Consummation of Contracts**: A contract's stages include negotiation (interest and ends at agreement), perfection (agreement upon essential elements), and consummation (fulfillment of terms).
- **Meeting of Minds and Price**: Fixing the price cannot be left to one party and must be accepted by both. The decision to accept an offer must be communicated for a contract to be perfected.

Historical Background:

The case illuminates the complexities and procedural nuances in property transactions involving corporate entities, informal settlers, and interests of third-party purchasers in the Philippines. It underlines the importance of clear communication, explicit acceptance, and authority in the negotiation and sale of property to establish binding contracts.