

Title: Tomas Osmeña vs. Cenona Rama

Facts:

The case originated from two contracts executed between Cenona Rama (defendant) and Victoriano Osmeña. The first contract, dated November 15, 1890, entailed Rama receiving 200 pesos from Osmeña, agreeing to repay in sugar at market price, with added interest. Rama pledged all current and future property as security, specifically naming her stone house in Pagina. The second contract, dated October 27, 1891, involved a further loan of 70 pesos under similar conditions.

Following Victoriano Osmeña's death, these contracts were inherited by Agustina Rafols, an heir, who later transferred her rights to Tomas Osmeña (plaintiff). On March 15, 1902, Rama, acknowledging her indebtedness regarding these contracts, promised payment upon the sale of her Pagina house.

Osmeña demanded payment in 1902, but Rama defaulted, leading Osmeña to file a lawsuit on June 26, 1906. The case proceeded to the Court of First Instance of Cebu, where Osmeña, as the sole witness, substantiated his claims. Rama contested the suit, invoking the defense of prescription and denying the loan amount attributed to her.

The lower court ruled in favor of Osmeña, specifically discharging Rama from responsibility for the 50 pesos loaned to Evaristo Penares but upholding her indebtedness for the remaining sum, accruing interest from the dates of the original contracts. Rama appealed this verdict, primarily challenging the sufficiency of evidence supporting the lower court's findings.

Issues:

1. Whether the acknowledgment by Cenona Rama of her indebtedness under the conditions stipulated was sufficient to preclude the statute of limitations.
2. Whether the conditions for the repayment imposed by Rama in her acknowledgment were valid.
3. Whether the evidence was sufficient to support the lower court's findings.

Court's Decision:

The Supreme Court affirmed the lower court's decision, holding that Rama's acknowledgment of her obligation, albeit conditionally proposing repayment upon the sale

of her house, was an absolute acknowledgment that effectively interrupted the statute of limitations. The Court rejected the condition of repayment as void, citing Article 1115 of the Civil Code, because it depended solely on the debtor's will, thereby rendering her acknowledgment of the debt unconditional. The Supreme Court also found the evidence sufficient to support the lower court's judgment.

Doctrine:

This case clarified the application of the Civil Code concerning conditional obligations, particularly highlighting that a condition based exclusively on the debtor's will is void and does not affect the acknowledgment of a debt for the purposes of interrupting the statute of limitations.

Class Notes:

- **Conditional Obligations**: Conditions that depend solely on the debtor's will are void (Art. 1115, Civil Code).
- **Statute of Limitations**: An absolute acknowledgment of indebtedness can restart the clock on the statute of limitations, making an action to recover the debt timely.
- **Evidence Sufficient to Support Findings**: The presence of a valid contract, coupled with an unequivocal acknowledgment of debt, is generally sufficient for the court to affirm indebtedness and order repayment.

Historical Background:

This case sheds light on the legal practices in the Philippines during the Spanish colonial period and shortly thereafter, focusing on contract law and the treatment of debts. The relationships between lenders and borrowers, and the legal recourse available at the time, reflect both the Spanish legal influences and the transition towards an independent Filipino legal system.