

**\*\*Title\*\*:** Uy Soo Lim vs. Benito Tan Unchuan, et al.

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

Santiago Pastrano, a Chinese immigrant to the Philippines, amassed considerable wealth after marrying Candida Vivares and having two daughters, Francisca and Concepcion. After a visit to China in 1891, he entangled with Chan Quieg, who bore him a son, Uy Soo Lim, the plaintiff. Pastrano never saw Lim or Quieg again but acknowledged Lim as his son in his will. Upon Pastrano's death in 1901, a dispute erupted over his estate involving his wife, daughters, brother, Quieg, and Lim. Lim, then in China and aware of his inheritance, came to the Philippines and executed a contract surrendering his claim to Francisca Pastrano for P82,500. Following various transactions among interested parties, Lim seeks the annulment of this contract, alleging manipulation by defrauders exploiting his youth and inexperience.

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

1. Was Lim's consent to the contract obtained through undue influence or fraud?
2. Is the contract voidable due to Lim's alleged minority at the time of execution?
3. Did Lim's actions subsequent to signing the contract constitute a ratification of it, thus barring rescission?

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

1. The Court found no evidence of deceit or undue influence in securing Lim's consent. They noted Lim's intelligence and the competent advice he received from advisors and attorneys.
2. Although Lim was a minor by Philippine laws at the contract's execution, his failure to promptly disaffirm the contract upon reaching the age of majority and his actions in disposing of the proceeds thereafter contradicted his claim for rescission.
3. Lim's collection and expenditure of the entire contract consideration after reaching majority age and after initiating legal action to annul the contract precluded him from disaffirming the agreement due to his minority. He did not act within a reasonable time or fulfill the obligation to return the consideration received, thereby ratifying the contract.

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

- A party, particularly a minor, must promptly disaffirm a contract upon reaching majority to rescind it on grounds of minority; failure to do so may constitute ratification.
- In contract annulment due to minority, the minor must return the consideration received if it's still in their possession upon reaching majority.

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

- **Contractual Capacity of Minors**: Legal actions based on a minor's contractual agreements must consider the minor's ability to disaffirm or ratify the contract upon reaching the age of majority. Immediate action or the lack thereof, alongside the disposal of the contract's proceeds, is crucial.
- **Doctrine of Ratification by Minors**: The principle emphasizes that minors, upon reaching the age of majority, must act promptly if they wish to rescind a contract made during their minority. Their action or inaction can lead to the ratification of the initially voidable contract.
- **Necessity of Restitution in Annulment Cases**: When seeking annulment of a contract due to incapacity (such as minority), the petitioner is generally required to return the consideration received as far as they have benefited from it.

**Historical Background**:

This case mirrors early 20th-century Philippines' legal contemplation on contracts involving minors, especially in matters of inheritance and property rights within mixed-nationality families. It reflects on the principles of equity, the protective measures for minors within the legal system, and the boundaries of such protections when minors engage in contractual agreements.