

### Title:

\*\*Sotto Yuvienco et al. v. Hon. Dacuycuy et al.: Doctrine of Statute of Frauds in Property Sale Negotiations\*\*

### Facts:

The case involves a petition for certiorari and prohibition filed by Suga Sotto Yuvienco, Britania Sotto, and Marcelino Sotto (petitioners) against Hon. Auxencio C. Dacuycuy, Judge of the CFI of Leyte, and several other respondents. The petitioners sought to declare void the orders dated November 2, 1978, and August 29, 1980, of the respondent judge, which denied the petitioners' motion to dismiss the complaint for specific performance filed by the private respondents. The complaint was rooted in an alleged agreement for the sale of real property, which the petitioners argued was unenforceable under the Statute of Frauds because it was not in writing and the complaint stated no cause of action.

The core of the dispute dates back to July 12, 1978, when Pedro C. Gamboa, on behalf of the petitioners, sent a letter to the respondents, expressing the willingness to sell a property in Tacloban City for P6,500,000 under certain conditions. Respondents replied via telegram, expressing agreement to buy and asked Gamboa to proceed to Tacloban to negotiate details. Upon Gamboa's arrival with a prepared contract, a disagreement on payment terms led to the transaction's failure.

The respondents then filed a complaint for specific performance, claiming an agreement was reached on the purchase price and payment terms, contrary to the terms presented by Gamboa upon his arrival in Tacloban. The petitioners filed a motion to dismiss on the ground of lack of cause of action and unenforceability under the Statute of Frauds, which was denied by the trial court, leading to the present petition.

### Issues:

1. Whether or not the complaint sufficiently states a cause of action.
2. Whether or not the agreement, as alleged by the respondents, is enforceable under the Statute of Frauds.

### Court's Decision:

The Supreme Court found in favor of the petitioners. It held that the complaint did not sufficiently state a cause of action realizing a perfected contract of sale between the parties. The Court elucidated the definition of negotiation, its implications in the context of agreement, and concluded that the telegram by respondents proposing further negotiation

did not constitute an absolute acceptance required for a perfected contract under the law.

Moreover, the Court determined that the alleged agreement could not be enforced under the Statute of Frauds. The Court underscored that any agreement for the sale of real property or an interest therein is unenforceable unless the agreement or some note or memorandum thereof is in writing and subscribed by the party charged or their agent. In this case, there was no such writing or memorandum that contained all essential elements of the supposed agreement, particularly the terms of payment.

### ### Doctrine:

The case reiterates the doctrine of the Statute of Frauds, which requires specific contracts, including those for the sale of real property, to be in writing to be enforceable. Additionally, it elucidates the importance of an “absolute” acceptance for the perfection of contracts, highlighting that a qualified acceptance amounts to a counteroffer and negates the existence of a perfected contract.

### ### Class Notes:

- **\*\*Statute of Frauds:\*\*** Contracts for the sale of real estate must be in writing to be enforceable (Civil Code, Art. 1403, No. 2(e)).
- **\*\*Perfection of Contracts:\*\*** A contract is perfected by the meeting of the offer and the absolute acceptance upon the thing and the cause which are to constitute the contract (Civil Code, Art. 1319).
- Essential elements for the enforceability of a contract of sale of real property under the Statute of Frauds include a written memorandum signed by the charged party indicating the agreement’s terms, particularly regarding the price and manner of payment.

### ### Historical Background:

In this case, during a period of evolving jurisprudence regarding real property transactions, the Supreme Court provided critical clarification on the application of the Statute of Frauds and contract perfection principles, particularly in contexts involving non-traditional agreements and negotiations.