Title:

Rosario Carbonnel vs. Jose Poncio, Ramon Infante, and Emma Infante: A Testament to the Inapplicability of the Statute of Frauds in Partially Executed Contracts

Facts:

Rosario Carbonnel, the plaintiff, purported that on January 27, 1955, she entered into a verbal agreement with Jose Poncio for the purchase of a parcel of land in San Juan del Monte, Rizal, for P9.50 per square meter. According to Carbonnel, she made a partial payment of P247.26 and took over Poncio's mortgage with the Republic Savings Bank amounting to P1,177.48. An additional condition was that Poncio could remain on the property for a year. When Poncio refused to formalize the sale through a deed despite repeated demands, Carbonnel brought the case to the Court of First Instance of Rizal. The complaint was expanded to include Ramon R. Infante and Emma L. Infante, subsequent purchasers of the same property, whom Carbonnel alleged were aware of her prior purchase.

The defendants moved to dismiss on the grounds of the Statute of Frauds and insufficient factual basis. The motion was initially denied, but after a preliminary hearing, the lower court dismissed the complaint, siding with the defendants' argument. Carbonnel appealed, bringing the case to the Supreme Court, focusing on whether the Statute of Frauds renders her claim unenforceable.

Issues:

- 1. Whether the agreement between Carbonnel and Poncio is unenforceable under the Statute of Frauds.
- 2. The admissibility and sufficiency of parol evidence in proving the partial execution of the purported sale.

Court's Decision:

The Supreme Court reversed the lower court's decision, holding that the Statute of Frauds is inapplicable to contracts that have been partially executed. It premised its decision on established jurisprudence that the Statute of Frauds only applies to executory contracts, not those partially or fully performed. The Court emphasized that denying the plaintiff the chance to prove partial execution through oral testimony would enable defendants to commit fraud, which the statute aims to prevent. Thus, it ruled that Carbonnel should be allowed to present oral evidence in support of her claim.

Doctrine:

The ruling reaffirmed the doctrine that the Statute of Frauds does not apply to contracts that have been partially or fully performed. It clarified that oral evidence is admissible to prove both the existence of a contract and its partial execution when such performance is alleged.

Class Notes:

- **Statute of Frauds**: Applies only to executory contracts, not to those that are partially or fully performed.
- **Partial Performance**: Can remove a contract from the purview of the Statute of Frauds, making it enforceable through oral evidence.
- **Parol Evidence**: Admissible to establish both the contract's existence and its partial execution, countering the default rule that prevents oral contracts concerning land sales from being enforceable.

Historical Background:

The case is a prime illustration of the Philippine Supreme Court's stance on the applicability of the Statute of Frauds to partially executed contracts. It reflects the judiciary's effort to balance formal requirements for contracts with equitable considerations, preventing the statute from being used as a tool for perpetrating fraud.