

### ### Title

Western Mindanao Lumber Co., Inc. vs. Natividad M. Medalle and Antonio Medalle

### ### Facts

Western Mindanao Lumber Co., Inc. (Plaintiff) engaged in logging operations and had a right-of-way through Lot 2136 from its registered owner, Luciano Hernandez, since 1955. This road was essential for the Plaintiff's business operations. In 1958, Natividad and Antonio Medalle (Defendants) purchased Lot 2136 but did not oppose the road's use by the Plaintiff or the public. The Defendants later intended to close the road, prompting the Plaintiff to file a complaint on December 16, 1960, seeking to prevent the road's closure and to enforce the right-of-way agreement.

The Defendants filed a motion to dismiss on the ground that the agreement was unenforceable under the Statute of Frauds, as the agreement's documentation had flaws such as lack of signatures and dates. The trial court dismissed the case, leading to the Plaintiff's motion for reconsideration and amended complaint, which was also denied. The case was escalated to the Court of Appeals and subsequently to the Supreme Court due to questions of law.

### ### Issues

1. Whether the road right-of-way agreement is covered by the Statute of Frauds.
2. Whether the Plaintiff has a legal basis to claim the continued use of the road through Lot 2136.

### ### Court's Decision

The Supreme Court found the appeal meritorious. It clarified that the Statute of Frauds covers specific transactions that do not include easements such as a right-of-way, meaning the agreement was not unenforceable on those grounds. The court also recognized the Plaintiff's claim could be considered both a demand for the recognition of an existing easement of right-of-way and for the establishment of a new one, should it be deemed non-existent, guided by the offer to pay reasonable compensation as outlined in Art. 649 of the Civil Code.

### ### Doctrine

1. The Statute of Frauds applies only to specific agreements enumerated within it, and agreements establishing easements or rights-of-way are not included.
2. A plaintiff may seek not only the recognition of an existing easement but also the

establishment of a new easement of right-of-way under Article 649 of the Civil Code, provided they offer reasonable compensation for the use of land.

### ### Class Notes

- The Statute of Frauds (Art. 1403, par. 2, Civil Code) delineates specific contracts that must be written to be enforceable but does not include easement agreements.
- An easement of right-of-way is a privilege to pass over the land of another, which is not covered by the Statute of Frauds and can be subject to recognition or establishment in court, provided there is an offer to pay reasonable compensation.
- Art. 649, Civil Code, facilitates the establishment of a compulsory easement of right-of-way when necessary for accessing a highway from a landlocked property, given the payment of lawful compensation.

### ### Historical Background

This case underscores the evolving interpretation of contract enforceability under the Statute of Frauds within the Philippine legal framework. Focused on the practical application of law, it emphasizes the courts' consideration of the substantial need for right-of-way easements in business operations and property access, aligning legal doctrine with equitable principles and the demands of socio-economic development.