

Title: Askay vs. Fernando A. Cosalan

Facts:

Askay, an illiterate Igorrote between 70 and 80 years of age, and Fernando A. Cosalan, his nephew by marriage and the municipal president of Tublay, entered into a transaction regarding the Pet Kel Mineral Claim. Askay had originally obtained the title to the claim in 1907. According to Cosalan's evidence, on November 23, 1914, Askay sold the claim to him. Nine years later, in 1923, Askay filed an action in the Court of First Instance of Benguet, alleging that the sale was fraudulent and seeking the nullification of the sale, the return of the mineral claim, and damages of P10,500.

Procedural Posture:

- Askay filed a complaint in the Court of First Instance of Benguet in 1923.
- Various pleadings were filed, including Cosalan's answer, and a trial ensued before Judge George R. Harvey.
- The trial court dismissed the complaint and absolved Cosalan, with costs against Askay.
- Askay then attacked the trial court's decision on jurisdictional and formal grounds, which were denied.
- Askay perfected an appeal to the Supreme Court.

Issues:

1. Whether Judge George R. Harvey had jurisdiction to try the case, given the administrative orders and statutory provisions in effect.
2. Whether Askay established his cause of action for fraud by a preponderance of evidence.

Court's Decision:

1. **Jurisdiction Issue:**
  - The Supreme Court found that Judge George R. Harvey had jurisdiction to try the case. The Secretary of Justice had authorized Judge Harvey to hold a special term of court in Baguio beginning May 2, 1923, under Administrative Order No. 43, which was consistent with Act No. 3107. This Act was approved and took effect on March 17, 1923.
  - The plaintiff's argument that the Act was not in force until August 3, 1923, was dismissed because the Act specified it would take effect on its approval date, superseding the general provision about publication in the Official Gazette.
2. **Fraud Issue:**
  - The Court determined that Askay failed to prove fraud by a preponderance of evidence.

- Even though Askay was elderly and illiterate, and the consideration for the transfer seemed inadequate, there was strong counter-evidence.
- Witnesses including the notary public and other attesting witnesses confirmed that Askay understood and willingly participated in the sale.
- Fingerprint experts affirmed the thumb mark on the sale document was Askay's.
- Witnesses testified about Askay's acknowledgment of the sale after the transaction.
- Given Askay's nine-year delay in disputing the sale, the Court inferred his acquiescence and dismissed claims of fraud.

#### Doctrine:

- **Fraud must be both alleged and proved:** Mere suspicion or inadequacy of price is insufficient unless supported by clear evidence of deceitful conduct.
- **Deference to formal, documented transactions:** Courts heavily rely on documented evidence validated by credible witnesses and notaries.
- **Silent acquiescence:** Prolonged inaction and acceptance of the consequences of a transaction can imply consent and bar later challenges.

#### Class Notes:

- **Elements of Fraud:**
- Misrepresentation of material fact.
- Intent to deceive.
- Reliance by the plaintiff on the misrepresentation.
- Resulting damage to the plaintiff.
- **Key Statutes:**
- **Act No. 3107:** Authorizes Judges of First Instance of other districts temporarily to hold special terms (effective upon approval).
- **Sec. 11, Administrative Code:** States general rule on the effectivity of statutes post-publication unless otherwise specified.
- **Principles Applied:**
- Specific provisions in statutes override general statutory rules.
- Formal documentation and witness corroboration weigh heavily against claims of fraud.

#### Historical Background:

- The early 20th century in the Philippines saw changes in administrative procedures and legal clarifications as the judiciary adapted to Philippine sovereignty under US colonial rule. The case reaffirms judicial deference to procedural propriety and evidentiary standards amid societal transformations.