

CONSEJO INFANTE, PETITIONER, VS. JOSE CUNANAN, JUAN MIJARES AND THE COURT OF APPEALS, SECOND DIVISION, RESPONDENTS.*G.R. No. L-5180. August 31, 1953*

Ponente: BAUTISTA ANGELO, J.

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This is a petition for review of a decision of the Court of Appeals affirming the judgment of the court of origin which orders the defendant to pay the plaintiffs the sum of P2,500 with legal interest thereon from February 2, 1949 and the costs of action.

Consejo Infante, defendant herein, was the owner of two parcels of land, together with a house built thereon, situated in the City of Manila and covered by Transfer Certificate of Title No. 61786. On or before November 30, 1948, she contracted the services of Jose Cunanan and Juan Mijares, plaintiffs herein, to sell the above-mentioned property for a price of P30,000 subject to the condition that the purchaser would assume the mortgage existing thereon in favor of the Rehabilitation Finance Corporation. She agreed to pay them a commission of 5 per cent on the purchaser price plus whatever overprice they may obtain for the property. Plaintiffs found one Pio S. Noche who was willing to buy the property under the terms agreed upon with defendant, but when they introduced him to defendant, the latter informed them that she was no longer interested in selling the property and succeeded in making them sign a document stating therein that the written authority she had given them was already cancelled. However, on December 20, 1948, defendant dealt directly with Pio S. Noche selling to him the property for P31,000. Upon learning this transaction, plaintiffs demanded from defendant the payment of their commission, but she refused and so they brought the present action.

Defendant admitted having contracted the services of the plaintiffs to sell her property as set forth in the complaint, but stated that she agreed to pay them a commission of P1,200 only on condition that they buy her a property somewhere in Taft Avenue to where she might transfer after selling her property. Defendant avers that while plaintiffs took steps to sell her property as agreed upon, they sold the property at Taft Avenue to another party and because of this failure it was agreed that the authority she had given them be cancelled.

The lower court found that the preponderance of evidence was in favor of the plaintiffs and rendered judgment sentencing the defendant to pay the plaintiffs the sum of P2,500 with legal interest thereon from February 2, 1949 plus the costs of action. This decision was affirmed in toto by the Court of Appeals.

There is no dispute that respondents were authorized by petitioner to sell her property for the sum of P30,000 with the understanding that they will be given a commission of 5 percent plus whatever overprice they may obtain for the property. Petitioner, however, contends that authority has already been withdrawn on November 30, 1948 when, by the voluntary act of respondents, they executed a document stating that said authority shall be considered cancelled and without any effect, so that when petitioner sold the property to Pio S. Noche on December 20, 1948, she was already free from her commitment with respondents and, therefore, was not in duty bound to pay them any commission for the transaction.

If the facts were as claimed by petitioner, there is indeed no doubt that she would have no obligation to pay respondents the commission which was promised them under the original authority because, under the old Civil Code, her right to withdraw such authority is recognized. A principal may withdraw the authority given to an agent at will. (Article 1733.) But this fact is disputed. Thus, respondents claim that while they agreed to cancel the written authority given to them, they did so merely upon the verbal assurance given by petitioner that, should the property be sold to their own buyer, Pio S. Noche, they would be given the commission agreed upon. True, this verbal assurance does not appear in the written cancellation, Exhibit 1, and, on the other hand, it is disputed by petitioner, but respondents were allowed to present oral evidence to prove it, and this is now assigned as error in this petition for review.

The plea that oral evidence should not have been allowed to prove the alleged verbal assurance is well taken it appearing that the written authority given to respondents has been cancelled in a written statement. The rule on this matter is that "When the terms of an agreement have been reduced to writing, it is to be considered as containing all those terms, and, therefore, there can be, between the parties and their successors in interest, no evidence of the terms of the agreement other than the contents of the writing." (Section 22, Rule 123, Rules of Court.) The only exceptions to this rule are: "(a) Where a mistake or imperfection of the writing, or its failure to express the true intent and agreement of the parties, or the validity of the agreement is put in issue by the pleadings"; and (b) Where there is an intrinsic ambiguity in the writing." (Ibid.) There is no doubt that the point raised does not come under any of the cases excepted, for there is nothing therein that has been put in issue by respondents in their complaint. The terms of the document, Exhibit 1, seem to be clear and they do not contain any reservation which may in any way run counter to the clear intention of the parties.

But even disregarding the oral evidence adduced by respondents in contravention of the parole evidence rule, we are, however, of the opinion that there is enough justification for the conclusion reached by the lower court as well as by the Court of Appeals to the effect that respondents are entitled to the commission originally agreed upon. It is a fact found by the Court of Appeals that after petitioner had given the written authority to sell her land for the sum of P30,000, respondent found a buyer in the person of one Pio S. Noche who was willing to buy the property under the terms agreed upon, and this matter was immediately brought to the knowledge of petitioner. But the latter, perhaps by way of stratagem, advised respondents that she was no longer interested in the deal and was able to prevail upon them to sign a document agreeing to the cancellation of the written authority.

That petitioner had changed her mind even if respondent had found a buyer who was willing to close the deal, is a matter that would not give rise to a legal consequence if respondents agree to call off the transaction in deference to the request of petitioner. But the situation varies if one of the parties takes advantage of the benevolence of the other and acts in a manner that would promote his own selfish interest. This act is unfair as would amount to bad faith. This act cannot be sanctioned without according to the party prejudiced the reward which is due him. This is the situation in which respondents were placed by petitioner. Petitioner took advantage of the services rendered by respondents, but believing that she could evade payment of their commission, she made use of a ruse by inducing them to sign the deed of cancellation Exhibit 1. This act of subversion cannot be sanctioned and cannot serve as basis for petitioner to escape payment of the commission agreed upon.

Wherefore, the decision appealed from is hereby affirmed, with costs against petitioner.

Paras, C.J., Pablo, Bengzon, Padilla, Tuason, Montemayor, Reyes and Jugo, JJ., concur.

CONCURRING AND DISSENTING**LABRADOR, J.,**

I concur in the result. I can not agree, however, to the ruling made in the majority decision that the petitioners can not introduce evidence of the circumstances under which the document was signed, i.e. upon promise by respondent that should the property be sold to petitioner's buyer they would nevertheless be entitled to the commission agreed upon. Such evidence is not excluded by the parole evidence rule, because it does not tend to alter or vary the terms of the document. This document was merely a withdrawal of the authority granted the petitioner to sell the property, not an agreement that they shall not be paid their commission.

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