

LUCINA EVANGELISTA, PLAINTIFF AND APPELLANT, VS. PEDRO DEUDOR, ET AL., DEFENDANTS AND APPELLEES.*G.R. No. L-12826. September 10, 1959*

Ponente: MONTEMAYOR, J.

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Plaintiff Lucina Evangelista is appealing the Order of the Court of First Instance of Rizal dated April 25, 1956 in Civil Case No. 1733, dismissing her complaint as against J. M. Tuason & Co., Inc.

The facts involved in the case may be stated as follows: On March 5, 1949, plaintiff Lucina Evangelista and Pedro Deudor entered into an agreement to sell lot No. 126 situated in Barrio Tatalon, Quezon City, with an area of 750 sq. meters for the sum of P2,250.00, payable in installments. Said lot is a portion which forms part of a bigger parcel of land of about 29.5 quiñones which Deudor possessed and over which he claimed ownership and possessory rights by virtue of what purports to be an abstract of an "informacion posesoria" issued in favor of Telesforo Deudor, registered in the Office of the Register of Deeds of Manila (South District). Evangelista made some payments on account of the purchase price. It would appear, however, that the large parcel of which Lot No. 126 forms a part, was also claimed by Tuason & Co. under a Torrens Title.

In the meantime, Deudor filed an action against Tuason & Co., docketed as Civil Case No. Q-135 in the Court of First Instance of Rizal, Quezon City Branch, involving said large parcel. It would also appear that several other persons to whom Deudor had entered into agreements to sell other lots within said big parcel, had brought actions against Tuason & Co. in the same court. To protect her rights, Evangelista filed a motion for leave to intervene in Civil Case No. Q-135, but said motion was denied by the trial court on the ground, among others, that "she can protect fully her rights claimed in her motion to intervene, aforementioned, in a separate proceedings." Thereafter, Deudor and his other vendees on the one hand and J. M. Tuason & Co. and Gregorio Araneta & Co. on the other hand, entered into a Compromise Agreement, dated March 16, 1953, whereby in consideration of the sum of P1,201,063. 00, Deudor recognized the title in fee simple of Tuason & Co. and Araneta & Co. over the big parcel aforementioned and he "hereby renounce, cede and quit claim unto and in favor of the owners, any right, title or title of whatever nature they have had in the past, or may now have or any ever have in and the said property, in the future." The Compromise Agreement included a list of those persons to whom Deudor had sold or agreed to sell lots within the said parcel and who had already made payments on account, this list including the name of Evangelista; Tuason & Co. acknowledged said persons to be purchasers, and that they may purchase from it the said lots which Deudor agreed to sell to them. It seems, however, that Tuason & Co. contemplated new sales agreements between itself and the said purchasers under its own conditions and under sales prices different from the agreement entered into with Deudor.

On the basis of the Compromise Agreement, judgment was rendered by the trial court in Civil Case No. Q-135, dismissing said case as well as the other cases filed against Tuason & Co. Later, Lucina Evangelista filed this present action against Deudor, Tuason & Co. and Gregorio Araneta & Co., praying that she be allowed to pay the balance of the purchase price to Lot No. 126 to Tuason & Co. and Araneta & Co. and that the latter companies be

required to accept said payment and to execute in her favor the corresponding deed of sale, and that should it be adjudged that her agreement to sell with Deudor could not be enforced against Tuason & Co. and Araneta & Co. and that she is forced to enter into a new contract with them at a higher price per square meter than that agreed upon under the first agreement, the difference should be deducted from the P1,201,063.00 which was to be paid by the two companies to Deudor.

Acting upon the motion to dismiss filed by Tuason & Co., the trial court in the present Civil Case No. 1733, dismissed the case as against Tuason & Co. on the ground that plaintiff had not shown her right which has been violated by Tuason & Co. as would constitute a valid cause of action; that in the agreement to sell between Deudor and Evangelista, Tuason & Co. was not a party and so may not be held liable for any breach or non-fulfillment of the same; that in the Compromise Agreement, aforementioned, Tuason & Co. has not assumed any obligation in favor of Evangelista which could be a basis of an action. As already stated, Evangelista is appealing this Order of Dismissal as against Tuason & Co., and in her brief, she assigns one single error, namely, "that the trial court erred in not holding that her complaint stated a valid cause of action against the defendant J. M. Tuason & Co." The question to determine is whether or not plaintiff Evangelista has a cause of action against Tuason & Co. Tuason & Co. claims, and correctly, that it was not a party to the agreement or contract of sale between Deudor and Evangelista; neither was Evangelista a party to the Compromise Agreement. Evangelista, however, claims that, by virtue of, the contract of sale between her and Deudor, she acquired primary rights over the lot which Deudor agreed to sell to her; that this right was valid when Deudor entered into the Compromise Agreement and renounced his rights to the big parcel of land, including the lot in question, in favor of Tuason & Co., for a money consideration and that her right as a purchaser was recognized by Tuason & Co., by including her name in the list of those who had purchased lots from Deudor.

Without determining whether or not Evangelista can enforce against Tuason & Co. the rights acquired by her over Lot No. 126 as regards the conditions of the purchase, particularly the sales price, we have to decide whether plaintiff has any right at all against Tuason & Co. or whether the latter has any obligation to her as regards the sale of the lot in question. For this purpose, we should bear in mind that when Deudor agreed to sell the lot to Evangelista, he was the possessor of it, included as it was in the larger parcel over which he claimed title. Afterwards, he ceded his rights over the parcel to Tuason & Co. To show that he had some right over the property, Tuason & Co. agreed to pay over a million pesos to him. In accepting the renunciation and quit claim by Deudor in its favor, Tuason & Co. knew of the commitment and obligation of Deudor in favor of plaintiff Evangelista, as shown by her being included in the list made part of the Compromise Agreement of those purchasers of lots when Deudor was still in possession. Moreover, paragraph 7 of the Compromise Agreement reads as follows:

"SEVENTH.—That the sales of the possessory rights claimed by the DEUDORS, are described in the lists submitted by them to the OWNERS which are attached hereto marked Annexes "B" and "C" and made part hereof. Whatever amounts may have been collected by the DEUDORS on accounts thereof, shall be deducted from the total sum of P11,201,063.00 to be paid to them. It shall be the joint and solidary obligation of the DEUDORS to make the buyer of the lots purportedly sold by them to recognize the title of the OWNERS over the property purportedly bought by them, and to make them sign, whenever possible, new contracts of purchase for said property at the current prices and terms specified by the OWNERS in their sales of lots in their subdivision known as 'Sta. Mesa Heights Subdivision.' The DEUDORS HEREBY advise of the OWNERS that the buyer listed in Annex "B" herein with the annotation 'continue' shall buy the lots respectively occupied by them and shall sign contracts, but the sums already paid by them to the DEUDORS amounting to P134,922.84 (subject to verification by the Court) shall be credited to the buyers and shall be deducted from the sums to be paid to the DEUDORS by the OWNERS. The DEUDORS also advise the OWNERS that the buyers listed in Annex "C" herein with the annotation 'Refund' have decided not to continue with their former contracts or purchases with the DEUDORS and the sums already paid by them to the

DEUDORS TOTALLING P101,182.42 (subject to verification by the Court) shall be refunded to them by the OWNERS and deducted from the sums that may be due to the DEUDORS from the OWNERS;"

It is clear that there now exist a sort of contractual relation between the plaintiff and Tuason & Co. as regards the sale of Lot No. 126; and that as regards said lot, plaintiff is the purchaser and has made payments on account of the purchase price, and Tuason & Co. acknowledges the partial payments already made, the same to be deducted from the sum payable to Deudor. That Deudor has an obligation and responsibility to the plaintiff there is no question; and the case is still pending against him, thereby giving the trial court an opportunity to determine the nature and extent of said obligation and responsibility. Tuason & Co., by reason of the Compromise Agreement, also assumed certain obligations with regards to plaintiff, recognizing her as a purchaser who has made partial payments. Whether the plaintiff can enforce against Tuason & Co. the terms of the sales contract between her and Deudor or whether Tuason & Co. can compel her to enter into a new sales contract with it under new conditions and terms, especially as to the purchase price, will have to be determined by the court. This can be done only if Tuason & Co. continues to be a party defendant in the present Civil Case No. 1733. As a matter of fact, the trial court would have done well had it allowed plaintiff to intervene in Civil Case No. Q-135 so that her rights with regards to Deudor and Tuason & Co. could have been finally determined. But she was not allowed to intervene and was told that she can enforce her rights in a separate action. That is the reason why she has brought the present suit not only against Deudor but also against Tuason & Co.

In view of the foregoing, the appealed Order of Dismissal is hereby set aside, and the case remanded to the lower court for further proceedings. The defendant- appellee Tuason & Co. will pay the costs.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Labrador, Endencia, and Barrera, JJ., concur.
Concepcion, J., concurs in the result.

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