

BENIGNO C. GUTIERREZ, PLAINTIFF AND APPELLANT, VS. THE INSULAR LIFE ASSURANCE CO., LTD., DEFENDANT AND APPELLEE.

G. R. No. L-9832. November 29, 1957

Ponente: PARAS, C.J.

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PARAS, C.J.:

This is an appeal from an order of the Court of First Instance of Manila dismissing plaintiff's complaint, for failure to allege a sufficient cause of action.

On April 14, 1955, the appellant filed an action against the appellee for the recovery of damages allegedly sustained as a result of appellee's unjustifiable refusal to award to the appellant the bid for the construction of electrical wiring of the proposed building-. The complaint at length recites that the appellant was the lowest bidder; that the appellee awarded the electrical work to the second lowest bidder without any valid reason and despite the big difference in the bids of the appellant and the awardee; and that consequently the appellant suffered actual and moral damages. A motion to dismiss was filed by the appellee, predicated on the proposition that article 1326 of the Civil Code of the Philippines is applicable; that as the complaint lacks the essential requisites called for by said provision, a valid cause of action has not been presented. After hearing, the lower court dismissed the complaint.

Under article 1826 of the Civil Code, relied upon by the appellee, advertisements for bidders are simply invitations to make proposals, and the advertiser is not bound to accept the highest or lowest bidder, unless the contrary appears. As there is nothing in the complaint—the allegations of which solely are determinative of the sufficiency of the cause of action—tending to show that in inviting proposals the appellee held out that the contract was to be awarded to the lowest bidder, no enforceable right on the part of the appellant has been established.

The appellant, however, argues that by requiring each bidder to file a bond for P20,000 which would be subject to confiscation in case the successful bidder should refuse to undertake the work, the appellee impliedly agreed to award the contract to the lowest bidder; and that moreover, the appellant is entitled to damages under the general principles and as a matter of equity, by reason of appellee's arbitrary refusal to award the contract to the appellant who had spent money and effort in preparing his bid. This line of reasoning loses its point when it is considered that the complaint contains no allegation as to the filing of the bond; that at any rate the appellant admits that the alleged bond was merely to qualify him to submit a bid, and did not alter the conditions set forth in article 1326 regarding advertisements for bidders; that while the appellant might have made expenditures, he should have known, like all other bidders, that he was taking chances under specific rules of the bidding, and voluntary of course.

Wherefore, the order appealed from is hereby affirmed with costs against the appellant. So ordered.

Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

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