

OLEGARIO B. CLARIN, PETITIONER, VS. ALBERTO L. RULONA AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

G.R. No. L-30786. February 20, 1984

Ponente: GUTIERREZ , JR., J.

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GUTIERREZ , JR., J.:

This is a petition for review on certiorari of the decision of the Court of Appeals which affirmed the finding of the trial court that there was a perfected contract of sale between the petitioner and the respondent with regard to the ten (10) hectares of land constituting the petitioner's share of Lot 20 PLD No. 4, Carmen Cadastre in Carmen, Bohol.

On May 31, 1959 the petitioner executed two documents, namely, Exhibits "A" and "B" which respectively provide:

"TO WHOM THIS MAY CONCERN:

"This is to authorize Mr. Gustavo Decasa, surveyor from Batuan, Bohol to survey on behalf of Mr. & Mrs. Alberto L. Rulona of Suba, Katipunan, Carmen, Bohol, a portion of the share of the undersigned of Lot 20 PLD No. 4 (Carmen Cadastre) from the CLARIN HERMANOS of which the undersigned is one of the heirs in a decision rendered in Cad. Case No. 20, Reg. Rec. No. 200 promulgated by Judge Hipolito Alo of the Court of First Instance of this province dated January 6, 1956; of the ten hectares (10) awarded to Mr. & Mrs. Alberto L. Rulona which the couple purchased from the undersigned for TWO THOUSAND FIVE HUNDRED PESOS (P2,500.00). The portion of land to be surveyed is situated where the house and vicinity of Mr & Mrs. A. Rulona are located in said lot.

(SGD.) OLEGARIO B. CLARIN

(SGD.) ZOILA L. CLARIN

"Received from Mr. Alberto Rulona of Carmen, Bohol, the sum of Eight Hundred (P800.00) Pesos as an initial payment for the ten hectares of land in Carmen, Bohol which he is going to purchase from the undersigned. The value of the land in question is P2,500.00."

Respondent Rulona filed a complaint for specific performance and recovery of improvements on the ground that the petitioner and his wife violated the terms of the agreement of sale "by returning by their own volition and without the consent of plaintiff, the amount of P1,100.00 in six postal money orders, covering the downpayment of P1,000.00 and first installment of P100.00."

In his complaint, the respondent alleged that the petitioner sold ten hectares of his share of the disputed lot to him for P2,500.00. The conditions of the sale were that a downpayment of P1,000.00 was to be made and then the balance of P1,500.00 was to be paid in monthly installment of P100.00. As shown by Exhibit B, the respondent delivered to the petitioner a downpayment of P800.00 and on the first week of June the amount of P200.00 was also delivered thereby completing the downpayment of P1,000.00. On the first week of August, another delivery

was made by the respondent in the amount of P100.00 as payment for the first installment. Respondent further alleged that despite repeated demands to let the sale continue and for the petitioner to take back the six postal money orders, the latter refused to comply.

In his answer, the petitioner alleged that while it is true that he had a projected contract of sale of a portion of land with the respondent, such was subject to the following conditions: (1) that the contract would be realized only if his co-heirs would give their consent to the sale of a specific portion of their common inheritance from the late Aniceto Clarin before partition of the said common property and (2) that should his co-heirs refuse to give their consent, the projected contract would be discontinued or would not be realized. Petitioner further contended that the respondent knew fully well the above terms and accepted them as conditions precedent to the perfection or consummation of the contract; that respondent delivered the amount of P1,000.00 as earnest money, subject to the above conditions and that the amount was returned by the petitioner upon his learning definitely that his co-heirs and co-owners refused to give their consent to the projected sale.

The trial court rendered judgment in favor of the respondent on the ground that the contract of sale, Exhibit A, is a pure sale of a portion of Lot No. 20, containing an area of ten hectares for the sum of P2,500.00, and that the sale is not subject to any condition nor is it vitiated by any flaw. Therefore, it declared the same binding upon the parties under Articles 1356 and 1458 of the Civil Code. The trial court also ruled that the fact that petitioner returned the sum of P1,100.00 paid by the respondent indicated an intention to rescind the contract. The court stated, however, that rescission under Article 1191 of the Civil Code can be authorized by the court only if either party violates his obligation. Since there had been no violation, the court ruled that the petitioner could not rescind the contract. Lastly, the court held that although as co-owner the petitioner could not dispose of a specific portion of the land, nevertheless, his share was bound by the effect of the sale.

On appeal, the Court of Appeals sustained the findings of the trial court, stating that:

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"x x x We believe that the trial court did not incur any error when it arrived at the conclusion that there was a perfected contract of sale between the plaintiff and the defendant, for indeed the terms of the agreement (Exh. A) were clearly drafted in an equivocal manner that leaves no room for interpretation other than those terms contained therein, the real substance of which satisfied all the elements and requisites of a contract. Appellant, however, argues that Exhibit A was a mere authority to survey. It is not addressed to any definite party, it does not contain the proper heading, there is no statement of the manner of paying the purchase price, no personal circumstances of the parties, and it is not notarized. All these grounds relied upon to suit the theory of appellant, anchored as it were on a weak foundation, deserve scant consideration. Suffice it to state that a contract to be binding upon the contracting parties need not be notarized. Neither should it specify the manner of payment of the consideration nor should it contain the proper heading." (sic)

It is maintained in this petition that the appellate court erred in holding there was a perfected contract of sale between the petitioner and the respondent, principally relying on Exhibit A and that even assuming that the latter were a perfected contract of sale, such was subject to a condition precedent with which there was no compliance. The petitioner alleges that the two documents introduced in evidence could not effectively convey title to the land because they were not public documents. Lastly, the petitioner contends that he could not have validly disposed of a definite portion of the community property and therefore, there arose a legal impossibility for him and the respondent to agree on a definite object.

The petitioner's contentions are without merit.

While it is true that Exhibits A and B are, in themselves, not contracts of sale, they are, however, clear evidence

that a contract of sale was perfected between the petitioner and the respondent and that such contract had already been partially fulfilled and executed. A contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price. (Article 1475, Civil Code; Phil. Virginia Tobacco Administration v. De los Angeles, 87 SCRA 210). Such contract is binding in whatever form it may have been entered into. (Lopez v. Auditor General, 20 SCRA 655).

Construing Exhibits A and B together, it can be seen that the petitioner agreed to sell and the respondent agreed to buy a definite object, that is, ten hectares of land which is part and parcel of Lot 20 PLD No. 4, owned in common by the petitioner and his sisters although the boundaries of the ten hectares would be delineated at a later date. The parties also agreed on a definite price which is P2,500.00. Exhibit B further shows that the petitioner has received from the respondent as initial payment, the amount of P800.00. Hence, it cannot be denied that there was a perfected contract of sale between the parties and that such contract was already partially executed when the petitioner received the initial payment of P800.00. The latter's acceptance of the payment clearly showed his consent to the contract thereby precluding him from rejecting its binding effect. (See Federation of United Namarco Distributors, Inc. v. National Marketing Corporation, 4 SCRA 884). With the contract being partially executed, the same is no longer covered by the requirements of the Statute of Frauds in order to be enforceable. (See Khan v. Asuncion, 19 SCRA 996). Therefore, with the contract being valid and enforceable, the petitioner cannot avoid his obligation by interposing that Exhibit A is not a public document. On the contrary, under Article 1357 of the Civil Code, the petitioner can even be compelled by the respondent to execute a public document to embody their valid and enforceable contract.

The petitioner's contention that he was only forced to receive money from the respondent due to the insistence of the latter merits little consideration. It is highly improbable that the respondent would give different sums on separate dates to the petitioner with no apparent reason, without a binding assurance from the latter that the disputed lot would be sold to him. We agree with the trial court and the appellate court that the payments were made in fulfillment of the conditions of the sale, namely, a downpayment of P1,000.00 and the balance of P1,500.00, to be paid in monthly installments of P100.00 each.

We, therefore, find no error in the lower court's holding that a contract of sale was perfected between the petitioner and the respondent and that the sale did not depend on a condition that the petitioner's co-owners would have to agree to the sale. The latter finding is strengthened by the fact that although the petitioner has been stressing that he made it clear to the respondent that the consent of his sisters as co-owners was necessary in order for the sale to push through, his letter to respondent marked Exhibit C stated another reason, to wit:

"My dear Mr. Rulona:

Replying to your letter of recent date, I deeply regret to inform you that my daughter, Alice, who is now in Manila, could not be convinced by me to sell the land in question, that is, the ten (10) hectares of land re-ferred to in our tentative agreement. It is for this reason that I hereby authorize the bearer, Mr. Paciano Parmisano, to return to you in person the sum of One Thousand and One Hundred (P1,100.00) Pesos which you have paid in advance for the proposed sale of the land in question."

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The reasons given by the petitioner cannot operate against the validity of the contract in question. A contract is valid even though one of the parties entered into it against his better judgment. (See Lagunzad v. Vda. de Gonzales, 92 SCRA 476; citing Martinez v. Hongkong and Shanghai Bank, 15 Phil. 252).

Finally, we agree with the lower court's holding that although as a co-owner, the petitioner cannot dispose of a specific portion of the land, his share shall be bound by the effect of the sale. This is anchored in Article 493 of

the Civil Code which provides:

Art. 493. Each co-owner shall have the full ownership of his part and the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership.

WHEREFORE, the petition is hereby DISMISSED for lack of merit. Costs against the petitioner.

SO ORDERED.

Melencio-Herrera, Plana, and Relova, JJ., concur.

Teehankee (Chairman) J., , in the result.

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