

ISABEL RUBIO ALCASID, ASSISTED BY HER HUSBAND DOMINGO A. ALCASID, PETITIONERS, VS. THE HONORABLE COURT OF APPEALS AND RUFINA L. LIM, RESPONDENTS.

G.R. No. 104751. October 07, 1994

Ponente: QUIASON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-104751/>

QUIASON, J.:

This is a petition under Rule 45 of the Revised Rules of Court to set aside the decision of the Court of Appeals in CA-G.R. SP No. 26108 entitled "Rufina L. Lim v. Hon. Eustaquio Sto. Domingo, in his capacity as Presiding Judge of the Regional Trial Court, Fourth Judicial Region, Branch 35, Calamba, Laguna, and Isabel Rubio Alcasid, assisted by her husband Domingo A. Alcasid."

I

Petitioner is one of the co-owners of two parcels of land located in Calamba, Laguna. Private respondent offered to purchase from petitioner and her co-owners the above-mentioned property. Petitioner was willing to sell her share for P4,500,000.00 and only if all her co-owners would sell their respective shares of the said land.

Petitioner engaged the services of Atty. Antonio A. Fernandez for the purpose of negotiating the sale, without knowing that he was also representing private respondent.

In March 1990, Atty. Fernandez confirmed to petitioner that all her co-owners were already amenable to sell their shares for P1,500,000.00

On March 4, 1990, petitioner signed a Deed of Sale drafted by Atty. Fernandez. Subsequently, petitioner learned that the other co-owners did not agree to sell their shares over the subject property.

On November 4, 1990, petitioner filed a complaint in the Regional Trial Court, Branch 34, Calamba, Laguna, for annulment of the contract of sale and damages with a prayer for temporary restraining order or writ of preliminary injunction against private respondent.

Private respondent filed a motion to dismiss on the grounds that the complaint stated no cause of action. The trial court denied the motion to dismiss.

On August 20, 1991, a motion to declare private respondent in default was filed by petitioner. This was granted by the trial court.

Private respondent appealed the said orders of the trial court to the Court of Appeals, which reversed the decision of the trial court and held that the complaint stated no cause of action.

Hence, this petition.

II

Petitioner alleges that her complaint for annulment of contract is based upon fraud, mistake and undue influence which vitiated her consent. According to her, were it not for the misrepresentation of private respondent and Atty. Fernandez that her co-owners had agreed to sell their share to private respondent, petitioner would not have agreed to sell her share.

Private respondent, on the other hand, claims the complaint is in the nature of a malpractice suit against Atty. Fernandez and not against her.

III

Petitioner contends that she was not aware that Atty. Fernandez was also representing private respondent, but a letter dated March 4, 1990 sent by Atty. Fernandez to the petitioner belied her allegation.

The letter is reproduced in full, as follows:

"March 4, 1990

TO: Mrs. Isabel R. Alcasid &

Mrs. Mila A. Marcos (daughter)

For and in behalf of my client, Miss Rufina L. Lim of Bucal, Calamba, Laguna, I, Atty. Antonio A. Fernandez hereby confirm that the selling price of One Million One Thousand Seven Hundred Fifty Pesos (P1,0001,750.00) is NET Purchase price and full payment of Lot Nos. 44-10-A-4 & 199-New-A-4.

My client, Miss Rufina Lim, the vendee, hereby assumes the full payment of BIR capital gain tax and transfer fee. Likewise, my said clients shall shoulder Register of Deed's registration and transfer fees, including all the documentary & science stamps. Attorney's fees and back taxes and other related fees shall be exclusively paid by the vendee, Miss Lim.

In payment for the said purchase price, the full amount is represented by PNB DEMAND DRAFT NO. _____ issued on March _____, 1990.

This arrangement is also true to other vendors, namely Ignacio Rubio, Felix Rubio, Heirs of Eufrosina Laygo, Heirs of Luz Rubio & Heirs of Amador Rubio.

ANTONIO A. FERNANDEZ

Counsel for Miss Rufina Lim"

(Rollo, p. 7; Underlining supplied)

On the matter of fraud, Article 1338 of the Civil Code of the Philippines provides:

"There is fraud when, through insidious words or machinations of one of the contracting parties, the other is induced to enter into a contract which, without them, he would not have agreed to" (Art. 1338, Civil Code).

In order that fraud may vitiate consent and be a cause for annulment of contract, the following must concur:

- 1.) It must have been employed by one contracting party upon the other (Art. 1342 and 1344);
- 2.) It must have induced the other party to enter into the contract (Art. 1338);
- 3.) It must have been serious (Art. 1344);

4.) It must have resulted in damage and injury to the party seeking annulment (Tolentino, IV Commentaries on the Civil Code of the Philippines, 507 [1991 ed]).

As to the alleged mistake, Article 1331 of the Civil Code of the Philippines provides:

"In order that mistake may invalidate consent, it should refer to the substance of the thing which is the object of the contract, or to those conditions which have principally moved one or both parties to enter into the contract."

To invalidate consent, the error must be real and not one that could have been avoided by the party alleging it. The error must arise from facts unknown to him. He cannot allege an error which refers to a fact known to him or which he should have known by ordinary diligent examination of the facts. An error so patent and obvious that nobody could have made it, or one which could have been avoided by ordinary prudence, cannot be invoked by the one who made it in order to annul his contract (Tolentino, supra at pp. 486-487).

Petitioner could have avoided the alleged mistake had she exerted efforts to verify from her co-owners if they really consented to sell their respective shares.

As to undue influence, Article 1337 of the Civil Code of the Philippines provides:

"There is undue influence when a person takes improper advantage of his power over the will of another, depriving the latter of a reasonable freedom of choice. The following circumstances shall be considered: the confidential, family, spiritual and other relations between the parties, or the fact that the person alleged to have been unduly influenced was suffering from mental weakness, or was ignorant or in financial distress."

Undue influence, therefore, is any means employed upon a party which, under the circumstances, he could not well resist and which controlled his volition and induced him to give his consent to the contract, which otherwise he would not have entered into. It must in some measure destroy the free agency of a party and interfere with the exercise of that independent discretion which is necessary for determining the advantages or disadvantages of a proposed contract (Tolentino, supra at p. 501). If a competent person has once assented to a contract freely and fairly, he is bound thereby.

The finding of the Court of Appeals that petitioner executed the contract of her own free will and choice and not from duress is fully supported by the evidence. Such finding should not be disturbed (Martinez v. Hongkong & Shanghai Bank, 15 Phil. 252 [1910]).

Private respondent did not commit any wrongful act or omission which violated the primary right of petitioner. Hence, petitioner did not have a cause of action (State Investment House, Inc. v. Court of Appeals, 206 SCRA 348 [1992]).

WHEREFORE, the petition is DENIED. The decision of the Court of Appeals appealed from is AFFIRMED.

SO ORDERED.

Cruz, (Chairman), Davide, Jr., Bellosillo, and Kapunan, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.