

**MARIA FERRER, IN HER OWN BEHALF AND AS ADMINISTRATRIX OF
THE INTESTATE ESTATE OF MARIANO TRIAS, PLAINTIFF AND
APPELLANT, VS. MARIA IGNACIO ET AL., DEFENDANTS AND
APPELLEES.**

G.R. No. 11943. December 21, 1918

Ponente: AVANCEÑA, J.

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AVANCEÑA, J.:

On December 21, 1908 or 1910, the Court of First Instance of Cavite rendered two judgments in favor of the spouses Mariano Trias and Maria Ferrer, and against the brothers Buenaventura Dimaguila and Perfecto Dimaguila, in the total sum of P13,500.

To satisfy these judgments, the sheriff attached the five parcels of land described with the letters (a), (b), (c), (d), and (e) in paragraph 4 of the complaint. At a public auction, the said parcels were sold to different persons, and the total price of P2,750 was realized from the sale of the parcels (a), (b), (c), and (d).

In another case instituted in the Court of First Instance of Laguna between Emilio Buenaventura as plaintiff and the same brothers, Perfecto Dimaguila and Buenaventura Dimaguila, as defendants, a judgment was rendered in favor of the former. To satisfy this judgment, four parcels of land described with the numbers (1), (2), (3), and (4) in paragraph 6 of the complaint were sold at public auction. At the instance of Mariano Trias, the right to repurchase, which the Dimaguila brothers had over these parcels of land, was likewise sold at public auction, adjudicating it to the same Mariano Trias for the sum of P150. Mariano Trias redeemed these lands from the purchasers at the public sale, and later sold them for P3,700.

Subsequently, Maria Ignacio, the mother of Perfecto Dimaguila and Buenaventura Dimaguila, claiming to be the owner of the lands sold by the sheriff at public auction, as lands belonging to Perfecto Dimaguila and Buenaventura Dimaguila, brought an action to recover said lands against the spouses Mariano Trias and Maria Ferrer, and the sheriff who sold the lands. Pending this litigation, the spouses Mariano Trias and Maria Ferrer, parties of the first part, and Maria Ignacio, Perfecto Dimaguila, and Buenaventura Dimaguila, as principal obligors, and Pedro Guevara as surety, parties of the second part, executed a compromise agreement (Exhibit A), on February 6, 1912, whereby said litigation was terminated.

In this compromise agreement, Maria Ignacio, Perfecto Dimaguila, and Buenaventura Dimaguila bound themselves to pay jointly and severally to Mariano Trias the amount of P13,500; to redeem the parcels of land described with the letters (a), (b), (c), and (d) in paragraph 4 and all the parcels described in paragraph 6 of the complaint, retaining and deducting from the amount of P13,500 the amount of P6,450, which is the total amount that should be paid to the purchasers in redeeming from them the said lands. Because the amount of P2,000 was formerly paid to Mariano Trias, this amount should likewise be deducted from the amount of P13,500, thereby leaving a total balance of P5,050. Maria Ignacio, Buenaventura Dimaguila, Perfecto Dimaguila, and Pedro Guevara jointly and severally bound themselves, the first three as principal obligors and the latter as solidary

surety, to pay to the spouses Mariano Trias and Maria Ferrer this balance of P5,050, within a period of one year and a half, to be counted from the date of the agreement, that is, from July 6, 1913.

Mariano Trias and Maria Ferrer, after recognizing Maria Ignacio's title to the parcels of land referred to in the agreement, bound themselves, in turn, to cooperate, with all the means in their power, in redeeming the said lands.

About the 29th day of December, 1913, Buenaventura Dimaguila paid to Mariano Trias the amount of P500 on account of the balance of P5,050. Mariano Trias died in February, 1914. Up to this time, the parcels of land had not been redeemed, and the period within which to exercise the right of redemption over the lands described in paragraph 4 of the complaint appears to have already lapsed since the date of the agreement, and the parcels described in paragraph 6 of the complaint had been sold in an absolute sale by Mariano Trias. The purchasers of all these parcels refused to allow their redemption.

The plaintiff, for herself and as administratrix of the estate of Mariano Trias, now brings this action against the defendants, Maria Ignacio, Buenaventura Dimaguila, Perfecto Dimaguila, and Pedro Guevara to recover from the said defendants the amount of a P5,050 with interest thereon. The defendants, in their cross complaint, claim from the plaintiff the payment of the amount of P13,250 as damages, for the reason that the plaintiff failed to redeem the lands. The court absolved the defendants Maria Ignacio and Pedro Guevara from the complaint; condemned the defendants Perfecto Dimaguila and Buenaventura Dimaguila, to pay to the plaintiff, within the period of ten days immediately following the date of the rendition of the judgment, the amount of P3,530 with legal interest thereon from December 15, 1914; ordered that proofs be taken to determine the value of the lands in question at the time of their sale, and that the plaintiff pay to Maria Ignacio, by way of damages, the value of said lands; ordered that after the plaintiff shall have made this payment, the defendants Dimaguila should in turn pay to the plaintiff the amount of P4,770. From this judgment the plaintiff appealed.

The plaintiff's action as well as the defendants' cross complaint depend entirely as to whether or not the spouses Mariano Trias and Maria Ferrer have complied with their obligation with regard to the redemption of the lands referred to in the compromise agreement. To decide this question, it is necessary to determine the nature and scope of this obligation. The compromise agreement contains the following clause:

"* * * the parties of the first part (Maria Ignacio, Buenaventura Dimaguila, and Perfecto Dimaguila) promising to accomplish the redemption of all the parcels of land sold from the respective purchasers mentioned in this paragraph, with the cooperation of Mr. Mariano Trias who will use all the means within his power to effect the redemption."

The defendants claim, and the lower court agrees with them, that this clause imposes upon the plaintiff (by plaintiff we refer to the spouses Mariano Trias and Maria Ferrer) the obligation to effect in fact the redemption of the lands, and unless this redemption is effected and the lands are delivered to Maria Ignacio, it can not be said that the plaintiff has complied with her obligation. And, as the redemption of these lands is now legally impossible, because some parcels were sold in an absolute sale, and as regards the other parcels the right to redeem them had already been extinguished, the defendants allege that it should be considered that the plaintiff has already violated her obligation. We believe that this interpretation of the contract is absolutely unfounded. We can readily say that the literal wording of the contract itself rejects this interpretation, as the contract shows that the defendants are the ones who bound themselves to make the redemption and that the plaintiff only promised to cooperate with the defendants towards this purpose. It is sufficient for the plaintiff that she use all the means within her power, and it is not required that this cooperation on her part will result precisely in the redemption of the said lands. And, if the wording of the contract is clear in this sense, the intention of the contracting parties which can be deduced from the other clauses is no less clear.

We accept the fact as true that the defendants, upon entering into the agreement, knew that the period within which the repurchase of the lands described in paragraph 4 of the complaint and sold by the sheriff could be effected had already expired, and that the lands described in paragraph 6 of the complaint and sold by the plaintiff had been sold in an absolute sale. As may readily be seen, in the contract the plaintiff does not make any statement which expressly or impliedly may induce the defendants to believe otherwise. It should be presumed, on the other hand, that he who contracts and assumes an obligation knows the real circumstances under which such an obligation is to be complied with. Consequently, it must be supposed that the defendants in assuming the obligation to redeem these lands should have known the conditions under which this redemption could be made. The contrary view would imply, on the part of the defendants, the incredible improvidence of having entered into a compromise agreement regarding the redemption of certain lands without acquainting themselves with the conditions under which this redemption could be effected. Moreover, with regard to the lands described in paragraph 4 of the complaint, which have been sold by the sheriff as property of the Dimaguila brothers to satisfy the judgment rendered against them and in favor of the plaintiff, the latter was not the one who had the right to redeem but the defendants Dimaguila. The latter should have known better than the plaintiff as to whether this right of repurchase had already been forfeited. With regard to the other lands described in paragraph 6 of the complaint, and sold by the plaintiff, the defendants should have known also that such lands had been sold in an absolute sale. If the idea of the defendants was that these lands had been sold with pacto de retro and this pacto was then in force, it is not explained that they were obliged to effect the redemption, they not being the ones entitled to redeem. Instead, they only required the plaintiff's cooperation in effecting the redemption, when as the plaintiff was the one who had the right to repurchase, this cooperation was not sufficient, but it was necessary, in order to effect the redemption of these lands, that the plaintiff should exercise in fact this right.

It is to be inferred from the foregoing that the redemption of which the contract speaks should not be, in the contemplation of the parties, the legal redemption but a redemption purely voluntary on the part of the purchasers. And if this interpretation is the one that should be given to the contract, as we believe it is, it seems clear that the plaintiff in binding herself to cooperate with the defendants did not understand that she was obliged to effect in fact the redemption, inasmuch as she could not reasonably oblige herself to do so, as the redemption did not depend upon her own will but upon of the purchasers. Aside from the fact that the word "cooperate," in itself, does not have this scope, the circumstances which we have explained show, moreover, that the contracting parties should not have given to this word such a scope.

But, even supposing that the defendants, in entering into this agreement, believed that the lands could be legally redeemed, another reasoning brings us to the same conclusion.

After declaring in the contract that they bound themselves to pay to the plaintiff the amount of P13,500, the defendants make it appear that from this amount they withheld P6,450, which is precisely the total price of the lands that had to be redeemed with a view to using the said amount in the redemption thereof. The fact that the defendants have placed in their own hands the means by which they could effect the redemption indicates clearly that they believed that they were the ones that had to make the redemption. Likewise, the fact that the defendants took from the plaintiff these means shows that they understood that it was not the plaintiff who should effect the redemption.

Referring to the lands described in paragraph 4 of the complaint, this conclusion is more evident. As we have said, with regard to these lands the plaintiff was not the one entitled to effect the redemption but the defendants, the Dimaguila brothers. If, in addition to the fact that the plaintiff was not the one entitled to make the redemption but the defendants, the Dimaguila brothers, the latter retained the amount with which the redemption should be made, the claim of the defendants that, according to the contract, it is the plaintiff who should make the redemption,

appears without a foundation. Any interpretation of the contract which leads to an absurdity should be rejected, and that interpretation which is reasonable and just should be preferred. It seems to us absurd that the plaintiff has bound herself to do what she did not have the right to do and after she had parted with the means with which to accomplish the act. But, it seems reasonable and just that the defendants who were the ones entitled to effect the redemption and who had the money to do so were the ones who bound themselves to redeem.

Although this reasoning is not entirely applicable to the lands described in paragraph 6 of the complaint, in which the same circumstances do not concur, nevertheless, we can infer that, as the redemption refers to all the lands, we should interpret it in the same manner with respect to all the lands.

This conclusion is strengthened by the fact that the defendants, through Buenaventura Dimaguila, complied in part with their obligation, paying to the plaintiff P500 on account of the amount of P5,050, almost two years after the execution of the contract, a sufficient time, at all events, to create with good foundation the supposition that the defendants, in making this partial payment, should have already known that the lands were not yet redeemed; that they could not yet be legally redeemed; and that the purchasers did not permit the redemption. Notwithstanding this, according to a witness who was present at the time this payment was made, Buenaventura Dimaguila then made no protest whatever against the plaintiff's failure to comply with the contract. This proves that the defendants did not claim up to that date that the plaintiff, by virtue of the contract, was obliged to actually redeem the lands.

We have reached this conclusion, taking into account the fact that the case treats of a compromise agreement whereby the plaintiff and the defendants have put an end to a litigation, and that this class of contracts is to be strictly interpreted, and must be understood as including only matters specifically determined therein or which by necessary inference from its wording must be deemed included. (Art. 1815, Civil Code.)

At all events, supposing that the -defendants executed the contract under the impression that the right to redeem the parcels of land was still subsisting, as it does not appear that the plaintiff has induced them into this belief, this fact, at most, constitutes an error of fact which the defendants can not set up in this action, it having been the object and result of the compromise to withdraw the parties from a suit already commenced. (Art. 1817, Civ. Code.)

It is argued that if the contract is to be interpreted in the manner we have indicated, the contract would be lacking consideration on the part of Maria Ignacio. We believe that this contention is also unfounded. In their answer, the defendants say:

"These last three named persons, namely, Mariano Trias, Perfecto Dimaguila, and Buenaventura Dimaguila, recognizing the right of said Maria Ignacio over the said lands, on the one hand, and on the other, in consideration of the fact that Maria Ignacio is the mother of the said Buenaventura and Perfecto Dimaguila, and for this reason, desired to free the lands from .the effects of the judgment rendered against them in the suit instituted by Mariano Trias in the Court of First Instance of Cavite, all realized the necessity of a compromise which would entirely end all of said litigations and the misunderstandings existing between the same, without injury to the rights of the parties, if possible."

This does not only give the reason or personnal motive which led Maria Ignacio to make the compromise, but also demonstrates that as to her the contract contains a consideration. If she had desired to assume voluntarily the obligation of her sons, jointly with them, in order to free them from the effects of the judgment rendered against them, then her obligation is the obligation of her sons, and the consideration of the contract as regards the sons should be considered as the consideration of the contract as to her. And it can not be claimed, nor can it be successfully claimed, that the obligation of the defendants Dimaguila to pay to the plaintiff the amount of

^13,500, ratified by a final judgment, is without a consideration.

Moreover, the contract shows other considerations on the part of Maria Ignacio, which are sufficient to constitute a consideration for the obligation. By this compromise agreement, the plaintiff and the defendant have, by mutual concessions, given an end to a litigation. These concessions are the cause of this class of contracts. The plaintiff had the right, by virtue of a judgment, to demand at any time the balance of P5,050 of her credit against the Dimaguila brothers and to proceed to the execution of the property of the latter in order to recover this amount. By virtue of the compromise, the plaintiff renounced this right and granted a period of one and a half years within which to pay this amount. This was a concession whereby the Dimaguila brothers were, for one year and a half, freed from the effects of a judgment, thereby giving said brothers an opportunity to satisfy said judgment before their property could be proceeded against. According to the admission made by the defendants, this fact was precisely the principal consideration for which Maria Ignacio entered into the compromise. And then the plaintiff's cooperation in effecting the redemption of the lands is another consideration. If it did not give result, it could have given. The defendants could have required not only the obligation to cooperate but also the obligation to effect the redemption itself, but they only demanded the first. At all events, one or the other, although in different proportion, is a consideration.

The lower court holds in its decision, and it appears to be the principal ground for absolving Maria Ignacio from the complaint and awarding to her the damages prayed for in her cross complaint, that the obligation of the plaintiff by virtue of the contract is to return the things to the condition in which they were before the sale of the lands, because, the decision states, that the same state of things could have been reached anyway, if, instead of the compromise, the compromised litigation would have been continued and decided with the natural result of indemnification for damages. This reasoning takes for granted that Maria Ignacio is the owner of these lands and has proofs sufficient to justify her ownership. However, there is absolutely no foundation in this case for accepting this supposition, excepting the acknowledgment in the instrument of compromise, made by the plaintiff in favor of the ownership of Maria Ignacio. But, if it be supposed that there was no compromise, neither had there been this acknowledgment. We do not understand why, in omitting this compromise and this acknowledgment, it can be affirmed in this case that, had the compromised litigation been continued, it would surely have resulted in a finding in favor of the ownership of Maria Ignacio. The acknowledgment by the plaintiff in favor of this ownership of Maria Ignacio did not precede the compromise; it is the effect of the compromise. If it had existed before, there would have been no disputed right, neither, therefore, would there have been any compromise. This presupposes essentially a doubtful right, which is its object as a contract.

Another allegation of the defendants is that the plaintiff, subsequent to the compromise, still sold, in an absolute sale, one of the parcels. We have examined the proofs and found that this sale covered the parcel (e) which was not included in the compromise. (Par. IX, Exhibit A.)

According to the same proofs of the defendants, Mariano Trias interviewed personally the purchasers of some of the parcels in order to negotiate their repurchase, and, as regards the other parcels, whose purchasers were in Manila, he (Mariano Trias) sent his lawyer, Mr. Joya, for the same object, because he could not leave the Province of Cavite, for his duties as provincial governor, as he then was, did not permit him to do so. We believe that this was substantially a compliance with his obligation.

For all the foregoing, we hold that the contract, Exhibit A, between the plaintiff and the defendants is valid; that the obligation imposed upon the plaintiff by this contract was duly complied with; that the obligation imposed by the same contract upon the defendants Buenaventura Dimaguila, Perfecto Dimaguila, and Maria Ignacio, as principals, and Pedro Guevara, as surety, to pay jointly to the plaintiff the amount of P5,050 has not been complied with, as to the amount of P4,550.

Therefore, the judgment appealed from is reversed, and the defendants Buenaventura Dimaguila, Perfecto Dimaguila, Maria Ignacio, as principal obligors, and Pedro Guevara, as surety, are hereby condemned to pay jointly and solidarily to the plaintiff the amount of P4,550, with legal interest thereon at the rate of 6 per cent per annum, beginning December 15, 1914. The plaintiff is hereby absolved from the cross complaint. There is no special finding as to costs. So ordered.

Arellano, C. J., Torres, Street, and Malcolm, JJ., concur.

Johnson, J., did not sit in the case.

Carson, J., reserves his vote.

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