

AURORA FE B. CAMACHO, PETITIONER, VS. COURT OF APPEALS AND ANGELINO BANZON, RESPONDENTS.,

G.R. NO. 127520. February 09, 2007

Ponente: CALLEJO, SR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-127520/>

CALLEJO, SR., J.:

This is a Petition for Review on Certiorari of the Decision[1] of the Court of Appeals (CA) in CA-G.R. CV No. 41268 affirming with modification the Decision[2] of the Regional Trial Court (RTC) of Balanga, Bataan, Branch 1.

The Antecedents

Camacho was the owner of Lot 261, a 7.5-hectare parcel of land situated in Balanga, Bataan and covered by Transfer Certificate of Title No. T-10,185.

On July 14, 1968, Camacho and respondent Atty. Angelino Banzon entered into a contract for legal services denominated as a "Contract of Attorney's Fee." [3] The agreement is worded as follows:

KNOW ALL MEN BY THESE PRESENTS:

That we, Aurora B. Camacho, widow, of legal age and resident of Balanga, Bataan, and Angelino M. Banzon, have agreed on the following:

That I, Aurora B. Camacho is the registered owner of Lot No. 261 Balanga Cadastre, has secured the legal services of Atty. Angelino M. Banzon to perform the following:

1. To negotiate with the Municipal Government of Balanga so that the above-mentioned lot shall be the site of the proposed Balanga Public Market;
2. To sell 1200 sq. m. for the sum of TWENTY- FOUR THOUSAND PESOS (P24,000.00) right at the Market Site;
3. And to perform all the legal phase incidental to this work.

That for and in consideration of this undertaking, I bind myself to pay Atty. Angelino M. Banzon FIVE THOUSAND SQUARE METERS (5000) of the said lot, for which in no case I shall not be responsible for payment of income taxes in relation hereto, this area located also at market site.

That I, Angelino M. Banzon, is willing to undertake the above-enumerated undertaking.

WITNESS our hands this 14 of July, 1968, in Balanga, Bataan.

(Signed)

(Signed)

ANGELINO M. BANZON AURORA B. CAMACHO

Pursuant to the agreement, Atty. Banzon, on even date, sent a letter-proposal[4] to the municipal council offering three sites for the proposed public market which included Lot 261. Still on the same date, Camacho executed a Special Power of Attorney[5] giving Atty. Banzon the authority to execute and sign for her behalf a Deed of Donation transferring a 17,000-sq-m portion of Lot 261 to the municipal government of Balanga, Bataan. The Deed of Donation was executed, which was later accepted by the local government unit in Municipal Resolution No. 127.[6]

Silvestre Tuazon had been an agricultural tenant in Lot 261 since World War II. On August 22, 1968, Tuazon and Camacho entered into an "Agreement with Voluntary Surrender"[7] where Tuazon voluntarily surrendered his right as a tenant of the landholding. Despite the agreement, however, Tuazon plowed a portion of the lot and planted palay without Camacho's consent. Since Tuazon refused to vacate the premises, Camacho and the Municipality of Balanga, through then Acting Mayor Victor Y. Baluyot, filed a complaint[8] for forcible entry on November 18, 1969 before the Municipal Trial Court (MTC) of Balanga, Bataan. The complaint was docketed as Civil Case No. 424. The case was eventually decided in favor of the plaintiffs and Tuazon was ordered to vacate the lot. On appeal to the RTC, trial de novo ensued, in view of the absence of the transcript of stenographic notes of the proceedings before the MTC. The RTC issued a preliminary mandatory injunction ordering Tuazon to "discontinue entering the subject premises until further orders of the court." [9]

On September 1, 1973, the plaintiffs, through Atty. Banzon, and Tuazon entered into an "Agreement to Stay Court Order." [10] Under the agreement, Tuazon was allowed to cultivate specific portions of the property as indicated in a sketch plan which the parties prepared, and to use the market's water supply to irrigate his plants within the lot subject to the market's preferential rights. The parties also contracted that "the agreement shall in no way affect the merits of Civil Case No. 3512 and CAR Case No. 520-B'73; and that no part shall be construed as impliedly creating new tenancy relationship."

On December 6, 1973, Camacho filed a Manifestation[11] in Civil Case No. 3512 declaring that she had terminated the services of Atty. Banzon and had retained the services of new counsel, Atty. Victor De La Serna.

On December 17, 1973, Atty. Banzon filed a Complaint-in-Intervention[12] in Civil Case No. 3512. He alleged that Camacho had engaged his services as counsel in CAR Case No. 59 B'65 (where a favorable decision was rendered) and in Civil Case No. 3512. Under the Contract of Attorney's Fee which they had both signed, Camacho would compensate him with a 5,000-sq-m portion of Lot 261 in case he succeeds in negotiating with the Municipality of Balanga in transferring the projected new public market which had been set for construction at the Doña Francisca Subdivision, all legal requirements having been approved by a municipal resolution, the Development Bank of the Philippines, and the National Urban Planning Commission. Atty. Banzon further claimed that as a consequence of the seven cases filed by/against Camacho, she further bound herself orally to give him a 1,000-sq-m portion of Lot 261 as attorney's fee. He had also acquired from Camacho by purchase an 80-sq-m portion of the subject lot as evidenced by a Provisional Deed of Sale[13] and from third parties an 800-sq-m portion. He further declared that his requests for Camacho to deliver the portions of the subject lot remained unheeded, and that of the seven cases[14] he had handled for Camacho, four had been decided in her favor while three are pending. Atty. Banzon thus prayed for the following relief:

- Ordering the ejectment of Defendant Silvestre Tuazon, in so far as (6880) square meters is concerned, INTERVENOR'S claim over Lot 261;
- The First Cause of Action, ordering the Plaintiff Aurora B. Camacho to deliver (5000) square meters as per Annex "A"; EIGHTY square meters as per Annex "C"; EIGHT HUNDRED (800) square meters which the

INTERVENOR purchased from third parties;

- On the Second Cause of Action, ordering the Plaintiff Aurora B. Camacho to pay the sum of P8,820.00, corresponding to the lease rental of (5880) square meters a month, counted from July, 1973, until the same is delivered to the INTERVENOR;
- On the Third Cause of Action, ordering the Plaintiff Aurora B. Camacho to deliver (1000) square meters, as attorney's fee in handling seven (7) cases;
- Ordering the Plaintiff Aurora B. Camacho and Defendant Silvestre Tuazon to pay jointly and severally, the sum of P5,000.00 for attorney's fee for legal services to the INTERVENOR; cost and litigation expenses of P1,000. until the case is terminated.
- To grant such relief, just and equitable in the premises.[15]

Camacho opposed[16] Atty. Banzon's motion on the ground that the admission of the complaint-in-intervention would merely serve to delay the case. She also claimed that his interest could be fully ventilated in a separate case for recovery of property or for damages.

On April 5, 1974, the RTC granted[17] the motion and subsequently admitted the complaint-in-intervention.

On December 31, 1973, Atty. Banzon and Tuazon entered into the following amicable settlement:

- That for and in consideration of the sum of TWO THOUSAND PESOS (P2,000.00), Philippine currency, which have been received from the INTERVENOR and acknowledged to have been received by the Defendant Silvestre Tuazon, the latter hereby acknowledges, waives his defenses against the claim of the INTERVENOR ANGELINO M. BANZON over a portion of Lot No. 261, portion of the lot in question, to the extent of SIX THOUSAND EIGHT HUNDRED EIGHTY (6880) SQUARE METERS as claimed and contained in the COMPLAINT IN INTERVENTION and to give effect to this AMICABLE SETTLEMENT hereby surrenders the actual possession of the said portion, subject to the approval of this Hon. Court, in favor of the INTERVENOR;
- That the herein parties to this AMICABLE SETTLEMENT waive and renounce whatever rights or claims, including future claims that each may have against each other;
- That the parties herein bind themselves to comply with the conditions of the foregoing settlement;
- That the foregoing AMICABLE SETTLEMENT was realized and achieved between the herein parties, thru the prior intercession of the Defendant's counsel Atty. Narciso V. Cruz, Jr.

WHEREFORE, it is respectfully prayed that the foregoing AMICABLE SETTLEMENT be approved and made as the basis of this Hon. Court's decision between the herein INTERVENOR and DEFENDANT Silvestre Tuazon.[18]

In Answer[19] to the complaint-in-intervention, Camacho denied that she solicited the services of Atty. Banzon to facilitate the transfer of the site of the proposed public market; in fact, it was Atty. Banzon who approached and convinced her to donate a portion of the lot to the municipality of Balanga. He assured her that the municipality of Balanga planned to relocate the public market and was scouting for a new location. He also told her that her lot appeared to be the most ideal location, and that he would take care of all the legal problems.

Camacho admitted, however, that she signed the Contract of Attorney's Fee but only upon the request of Atty. Banzon. He told her that the document would be shown to the municipal councilors "for formality's sake" to prove his authority to act for and in behalf of Camacho. It was never intended to bind her to pay attorney's fees.[20] She further denied that she agreed to give to Atty. Banzon 1,000 sq m for handling the seven cases; they never

discussed attorney's fees. The cases stemmed from his assurance that he would take care of any legal problem resulting from the donation of her property. She was not even a party in some of the cases cited by Atty. Banzon.[21] Lastly, she denied that he had made demands to deliver the mentioned portions of the property.[22]

In his Reply,[23] Atty. Banzon countered that the Balanga Municipal Council Resolution No. 128 transferring the market site to Camacho's property was enacted precisely because of his letter-proposal[24] to the municipal council.

On August 14, 1977, Camacho and Tuazon entered into a Compromise Agreement,[25] whereby Camacho agreed to transfer a 1,000-sq-m portion of Lot 261-B in favor of Tuazon; for his part, Tuazon moved to dismiss Civil Case No. 3805 and to remove all the improvements outside the portion of the property which Camacho had agreed to convey to him. Thus, the RTC rendered a partial decision[26] approving the compromise agreement.

On September 12, 1978, Camacho filed a Motion to Dismiss[27] the Complaint-in-Intervention filed by Atty. Banzon on the ground that the jurisdiction of the court to try the case ceased to exist because the principal action had been terminated. The RTC denied the motion in its Order[28] dated March 16, 1979. It held that Atty. Banzon had an interest over the subject property which he had to protect and that the compromise agreement between Camacho and Tuazon did not include him. Moreover, the dismissal of the intervention would not achieve its purpose of avoiding multiplicity of suits. The propriety of the denial of Camacho's motion to dismiss was finally settled by this Court in *Camacho v. Court of Appeals*[29] where this Court affirmed the denial of the motion. After trial on the merits, the RTC rendered a Decision[30] on September 1, 1992 in favor of Atty. Banzon. The fallo reads:

ACCORDINGLY, judgment is hereby rendered:

- Ordering plaintiff Aurora B. Camacho under the Contract of Attorney's Fees, [to deliver] 5000 square meters of the subject landholding, Lot 261-B-1, covered by Transfer Certificate of Title No. T-76357, or any other derivative sublots of the original Lot 261-B;
- Declaring the dismissal of said intervenor from the case at bar as unjustified;
- Ordering said plaintiff to pay and deliver to said intervenor 1000 square meters of the property in question, Lot 261-B-1 or any other derivative sublots of the original Lot 261-B in case of deficiency, for legal services rendered in seven (7) cases;
- Directing said plaintiff to deliver to said intervenor, under a Provisional Deed of Sale, 80 square meters of the subject property, Lot 261-B-1 or any other derivative sublots of the original Lot 261 in case of deficiency, after payment of the balance of the purchase price;
- Ordering said plaintiff to execute the corresponding Deed of Sale in favor of said intervenor for the aforesaid 80 square meters;
- Condemning said plaintiff to pay moral damages to said intervenor in the amount of P100,000.00; attorney's fees in the sum of P30,000.00; and the costs of the suit.

SO ORDERED.[31]

According to the RTC, Camacho had indeed read the contract and freely affixed her signature thereon. Applying the provisions of Section 7 (now section 9), Rule 130[32] of the Rules of Court, it concluded that the terms of the contract were embodied in the document itself. Moreover, Camacho did not bother to pay for all the other cases being handled by Atty. Banzon because she knew that she had agreed already to pay attorney's fees. The court likewise found that applying the provisions of Sections 24[33] and 26,[34] Rule 138 of the Rules of Court, the

area of the lot agreed upon as attorney's fees appears to be a reasonable compensation for his services. Since Atty. Banzon handled other cases subsequent to the execution of the contract of attorney's fees, the additional 1,000-sq-m lot which the parties had orally agreed upon is proper. The RTC declared that Atty. Banzon was entitled to be compensated based on quantum meruit since his dismissal from the present case was unjustified. It also held that Camacho was obliged to execute the necessary public instrument covering the 80-sq-m portion of the lot which she had sold to Atty. Banzon. It went further and awarded moral damages to Atty. Banzon on account of the mental anguish and besmirched reputation he had suffered.

On October 8, 1992, Atty. Banzon filed a Motion for Execution Pending Appeal.[35] Camacho, on the other hand, filed a Notice of Appeal. Atty. Banzon filed a motion to dismiss on the ground that since the case originated from the municipal court, it should be assailed via petition for review. On November 20, 1992, the court issued an Order[36] denying the motion for execution pending appeal for failure to state good reasons therefor. It likewise granted the notice of appeal on the ground that the complaint-in-intervention originated from the RTC and not from the MTC; under the factual backdrop of the case, ordinary appeal is proper.

On appeal to the CA, Camacho raised the following errors:

I.

THE LOWER COURT ERRED IN ALLOWING JUDGE ABRAHAM VERA TO SIGN THE DECISION IN THE INSTANT CASE, CONSIDERING THAT JUDGE VERA HAD LONG CEASED TO BE THE JUDGE OF THAT COURT AND WAS THE PRESIDING JUDGE OF BRANCH 90 OF THE REGIONAL TRIAL COURT OF QUEZON CITY WHEN THE INSTANT DECISION WAS SIGNED ON SEPTEMBER 1, 1992.

II.

THE LOWER COURT ERRED IN UPHOLDING THE VALIDITY AND DUE EXECUTION OF CONTRACT EXH. "C" AND IN ORDERING PLAINTIFF TO DELIVER TO INTERVENOR 5,000 SQUARE METERS OF LOT 261-B-1, T.C.T. T-76357, CONSIDERING THAT THIS LOT IS NOT SPECIFIED IN EXH. "C".

III.

THE LOWER COURT ERRED IN DECLARING THAT INTERVENOR'S DISCHARGE AS PLAINTIFF'S COUNSEL IN THE CASE AT BAR WAS UNJUSTIFIED, IN AWARDING INTERVENOR MORAL DAMAGES, AND IN DISMISSING PLAINTIFFS' COUNTERCLAIMS.

IV.

THE LOWER COURT ERRED IN AWARDING INTERVENOR 1,000 SQUARE METERS OF PLAINTIFF'S LAND FOR HIS HANDLING OF ALLEGED SEVEN CASES.

V.

THE LOWER COURT ERRED IN ORDERING PLAINTIFF TO EXECUTE A FINAL DEED OF SALE FOR 80 SQUARE METERS OUT OF LOT 261-B-1, CONSIDERING THAT LOT 261-B-1 IS NOT SPECIFIED IN THE PROVISIONAL DEED OF SALE.[37]

On October 29, 1996, the CA rendered a decision[38] affirming with modification the RTC ruling. The fallo reads:

WHEREFORE, foregoing considered, the appealed decision is hereby AFFIRMED with modification requiring plaintiff Camacho to DELIVER 5,000 sq.m. and 1,000 sq. m. of Lot 261-B-1 to Intervenor as his attorney's fee and 80 sq. m. also from Lot 261 subject to the conditions embodied under no. 4 of the dispositive

portion of the assailed decision all within thirty (30) days from the finality of this decision.

SO ORDERED.[39]

The CA held that all the elements of a valid contract were present: Camacho (a dentistry graduate and an experienced businesswoman conversant in English) cannot plead that she did not understand the undertaking she had entered into; the object of the contract is certain since the genus of the object was expressed although there was no determination of the individual specie; and the cause of the obligation - to negotiate and offer a site where the public market will be constructed - is not unlawful and cannot be considered as influence peddling. As to the alleged violation of the terms of the special power of attorney, the court held that Camacho was estopped from claiming damages by reason thereof.

The CA likewise found the award of moral damages to be in order; that the discharge of Atty. Banzon as counsel for Camacho was not justified and his discharge does not in any way deprive him of his right to attorney's fees. Lastly, the CA held that the RTC erred in requiring Camacho to deliver Lot 261-B-1, since Atty. Banzon cannot demand a portion of superior quality in the same way that appellant cannot transfer an inferior quality.

On December 3, 1996, the CA issued a Resolution[40] instituting petitioner Aurora Fe Camacho as substitute for the deceased Aurora B. Camacho.

Atty. Banzon filed a Motion for Partial Reconsideration of the CA Decision, as well as a Motion to Declare Decision Final insofar as Camacho was concerned. On the other hand, Camacho moved to cancel the notice of lis pendens. In the meantime, petitioner had filed the petition before this Court. Thus, the CA no longer acted on the motions on the ground that it had already lost jurisdiction over the case.[41]

In the present petition, petitioner raises the following issues:

1. WHETHER OR NOT INTERVENOR CAN BE AWARDED A FAVORABLE JUDGMENT DESPITE ABSENCE OF ANY FINDINGS OF FACT IN THE DECISION WHICH SHOW THAT HE WAS ABLE TO PROVE THE (SIC) HIS MATERIAL ALLEGATIONS UPON WHICH HE BASIS (SIC) HIS CLAIM UNDER CONTRACT OF ATTORNEY'S FEE, EXH. "C," ESPECIALLY PAR. 7 OF THE COMPLAINT-IN-INTERVENTION.

CAN THE BURDEN OF PROVING THE AND (SIC) DUE EXECUTION OF CONTRACT EXH. "C" BE SHIFTED TO PLAINTIFF CAMACHO WITHOUT VIOLATING SECT. 1, RULE 131, OF THE RULES OF COURT?

2. DID THE COURT OF APPEALS CORRECTLY APPLY THE PROVISION OF ART. 1246 OF THE CIVIL CODE TO THE INSTANT CASE IN RULING THAT CONTRACT EXH. "C" IS VALID AS TO OBJECT?

WILL THE DECISION REQUIRING THE DELIVERY OF 5,000 SQUARE METERS OF LOT 261 BASED ON THE SAID ART. 1246, IN WHICH INTERVENOR CANNOT DEMAND A THING OF SUPERIOR QUALITY AND NEITHER CAN PLAINTIFF CAMACHO DELIVER A THING OF INFERIOR QUALITY, BE SUSCEPTIBLE OF IMPLEMENTATION WITHOUT NEED OF A NEW CONTRACT OR AGREEMENT BETWEEN THE PARTIES?

IF SO, WILL THAT NOT ALL THE MORE PROVE THAT TE OBJECT OF CONTRACT EXH. "C" IS INDETERMINATE PURSUANT [TO] ART. 1349 OF THE CIVIL CODE?

3. WHETHER OR NOT THE COURT OF APPEALS WAS IN A POSITION TO PROCLAIM THE LEGALITY OR ILLEGALITY OF THE ALLEGED CONTRACT WITHOUT FIRST REVEALING OR SETTING FORTH THE REAL NATURE OF THIS OR THESE UNDERTAKINGS BASED ON THE

ALLEGATIONS AND TESTIMONIES OF INTERVENOR. HENCE, WHETHER OR NOT THE TWO UNDERTAKINGS IN CONTRACT EXH. "C" ARE LAWFUL.

4. WHETHER OR NOT THE COURT OF APPEALS COMMIT A GRAVE ABUSE OF DISCRETION BY TREATING LIKE A MATTER OUT OF RECORD THE ALLEGED REASONS OF PLAINTIFF CAMACHO FOR DISMISSING INTERVENOR AS HER COUNSEL IN THE CASE AT BAR, WHICH WERE ENUMERATED AND DISCUSSED ON PAGES 42-60 OF HER APPELLANT'S BRIEF, ANNEX "B," AND WHICH WERE PRINCIPALLY AND SPECIFICALLY COVERED IN HER THIRD ASSIGNMENT OF ERRORS AND CONSIDERING THAT ONE OF THESE ALLEGED REASONS ALSO CONSTITUTE PLAINTIFF CAMACHO'S COUNTERCLAIM FOR WHICH SHE IS SEEKING MORAL DAMAGES OF P100,000.

DID NOT THE COURT OF APPEALS COMMIT GRAVE ABUSE OF DISCRETION IN REPRESENTING PLAINTIFF CAMACHO'S THIRD ASSIGNED ERROR AS REFERRING MERELY TO THE ISSUE OF WHETHER OR NOT THE AWARD OF MORAL DAMAGES TO INTERVENOR IS JUSTIFIED.

WAS NOT PLAINTIFF CAMACHO THEREBY DEPRIVED OF HER CONSTITUTIONAL RIGHT TO DUE PROCESS OF LAW?

5. WHETHER OR NOT THE AWARD OF 1,000 SQ. M. OF LOT 261 ATTORNEY'S FEE FOR ALLEGED HANDLING OF SEVEN CASES HAS ANY LEGAL BASIS CONSIDERING THAT THERE IS NO SHOWING IN THE DECISION THAT THE ORAL CONTRACT ALLEGED BY INTERVENOR TO BE THE BASIS OF THE SAID ATTORNEY'S FEE WAS DULY PROVEN (SIC).[42]

Petitioner argues that the findings of facts in the assailed decision are mere conclusions, without citation of evidence to support them. She likewise avers that consent was not clearly proven; the conclusion of the CA was based on the presumption that the document was read prior to being signed. Petitioner insists that there is no "object certain" to speak of since the exact location of the subject property cannot be determined; in short, the issue is not the quality of the property but its identity. Petitioner further asserts that the cause of the contract - pirating of the municipality's market project and ejecting the tenant to convert the property into a commercial establishment - is illegal. She further insists that respondent failed to accomplish the twin objective of ejecting Silvestre Tuazon and converting the remaining land into a commercial area; thus, he is not entitled to the 5,000-sq-m lot. She further contends that the CA erred in awarding moral damages because respondent did not ask for it in his complaint-in-intervention. Lastly, she asserts that the CA erred in affirming the award of the 1,000-sq-m lot pursuant to a verbal contract between Camacho and respondent, especially considering the prevailing jurisprudence against a lawyer's acquisition of a client's lot in litigation without the latter's consent.

In his Comment,[43] respondent counters that the elements of a valid contract are present: Camacho's consent to the contract is evidenced by her signature which was in fact admitted by the latter; that while it is true that the identity of the 5,000-sq-m portion of Lot 261 has not been specified due to the absence of the necessary technical descriptions, it is capable of being made determinate without the need of a new agreement between the parties; as to the validity of the cause of the contract, the general principle of estoppel applies.

The Ruling of the Court

Article 1305 of the New Civil Code defines a contract as a "meeting of minds between two persons whereby one binds himself, with respect to the other, to give something or to render some service." Contracts shall be obligatory in whatever form they may have been entered into, provided all the essential requisites for their validity are present.[44]

In general, there are three (3) essential requisites for a valid contract: (1) consent of the contracting parties; (2) an

object certain which is the subject of the contract; and (3) the cause of the obligation which is established.[45]

The first element -Consent of the contracting parties -Is shown by their signatures on theContract

Consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the agreement.[46] In this case, Camacho admitted the existence of the contract as well as the genuineness of her signature. However, she claimed that she signed only upon the request of Atty. Banzon, who told her that the document would only be shown to the municipal councilors ("for formality's sake") to prove his authority in her behalf. It was never intended to bind her to pay him attorney's fees;[47] in short, petitioner insists that Camacho had not given her consent to the contract.

We, however, do not agree. The contract between Camacho and respondent is evidenced by a written document signed by both parties denominated as Contract of Attorney's Fee. It is an established rule that written evidence is so much more certain and accurate than that which rests in fleeting memory only; that it would be unsafe, when parties have expressed the terms of their contract in writing, to admit weaker evidence to control and vary the stronger, and to show that the parties intended a different contract from that expressed in the writing signed by them.[48] Moreover, the moment a party affixes her signature thereon, he or she is bound by all the terms stipulated therein and is open to all the legal obligations that may arise from their breach.[49]

In the instant case, Camacho voluntarily signed the document evidencing the contract Camacho's claim that the document was intended only to show respondent's authority to represent her with respect to the transaction is flimsy, since a special power of attorney could just as easily have accomplished that purpose. In fact, Camacho did execute a Special Power of Attorney[50] after the Contract of Attorney's Fee was executed, and if Camacho were to be believed, the Contract of Attorney's Fee should have been immediately canceled thereafter since it was no longer needed. As correctly held by the CA, Camacho was an experienced businesswoman, a dentistry graduate and is conversant in the English language. We note that the words and phrases used in the Contract of Attorney's Fee are very simple and clear; thus, she cannot plead that she did not understand the undertaking she had entered into.[51] Considering that her undertaking was to part with a 5,000-sq-m portion of her property, she should have been more vigilant in protecting her rights.

Even assuming that the contract did not reflect the true intention of the parties as to their respective obligations, it is nevertheless binding. The existence of the written contract, coupled with Camacho's admission that the signature appearing thereon was hers, constitute ineluctable evidence of her consent to the agreement. It cannot be overcome by mere denial and allegations that they did not intend to be bound thereby. We also note that Camacho did not avail of the remedy of reformation of the instrument in order to reflect what, according to her, was the true agreement.

Camacho's consent to the contract was further manifested in the following events that transpired after the contract was executed: the execution of the agreement with voluntary surrender signed by Tuazon; the execution of the Deed of Donation where Atty. Banzon was authorized to sign the same on behalf of Camacho; and the sale of 1200 sq. m. portion of the property right at the market site. In all these transactions, Atty. Banzon represented Camacho pursuant to the Contract of Attorney's Fee.

The object of the contractIs still certain despite the parties'Failure to indicate the specificPortion of the property to beGiven as compensation for services

Articles 1349 and 1460 of the Civil Code provide the guidelines in determining whether or not the object of the contract is certain:

Article 1349. The object of every contract must be determinate as to its kind. The fact that the quantity is not

determinate shall not be an obstacle to the existence of the contract, provided it is possible to determine the same, without the need of a new contract between the parties.

x x x x

Article 1460. A thing is determinate when it is particularly designated and/or physically segregated from all others of the same class.

The requisite that a thing be determinate is satisfied if at the time the contract is entered into, the thing is capable of being made determinate without the necessity of a new or further agreement between the parties.

In this case, the object of the contract is the 5,000-sq-m portion of Lot 261, Balanga Cadastre. The failure of the parties to state its exact location in the contract is of no moment; this is a mere error occasioned by the parties' failure to describe with particularity the subject property, which does not indicate the absence of the principal object as to render the contract void.[52] Since Camacho bound herself to deliver a portion of Lot 261 to Atty. Banzon, the description of the property subject of the contract is sufficient to validate the same.

The Cause or Consideration Of the contract is not illegal

In general, the cause is the why of the contract or the essential reason which moves the contracting parties to enter into the contract.[53] For the cause to be valid, it must be lawful such that it is not contrary to law, morals, good customs, public order or public policy.[54] Petitioner insists that the cause of the subject contract is illegal. However, under the terms of the contract, Atty. Banzon was obliged to negotiate with the municipal government of Balanga for the transfer of the proposed new public market to Camacho's property (Lot 261); to sell 1,200 square meters right at the market site; and to take charge of the legal phases incidental to the transaction which include the ejectment of persons unlawfully occupying the property (whether through amicable settlement or court action), and the execution of the Deed of Donation and other papers necessary to consummate the transaction. There was thus nothing wrong with the services which respondent undertook to perform under the contract. They are not contrary to law, morals, good customs, public order or public policy.

Petitioner argues that the cause of the contract is the "pirating" of the municipality's market project and ejecting the tenant to convert the property into a commercial establishment. This is premised on the fact that the construction of the new public market at Doña Francisca Subdivision had originally been approved by the municipal council of Balanga, the Development Bank of the Philippines, and the National Urban Planning Commission; and at the time the contract was executed, Tuazon occupied the property. The records show, however, that the municipal council was scouting for a new location because it had reservations regarding the site of the proposed project. And while Lot 261 was considered to be the most ideal (because it stands on higher ground and is not susceptible to flooding) it does not follow that respondent no longer negotiated for and in Camacho's behalf. There were other terms to be negotiated, such as the mode of transfer (whether sale or donation); the titling of the property in the name of the municipality; the terms of payment, if any; and such other legalities necessary to consummate the transaction.

It must be stressed that Camacho was not deprived of any property right. The portions of her property which she parted with (the 17,000-sq-m portion donated to the municipality; the 5,000-sq-m portion given to respondent as attorney's fees; and the 1,200-sq-m portion which was sold) were either in exchange for services rendered or for monetary consideration. In fact, all these transactions resulted in the increase in the economic value of her remaining properties.

Thus, the defense of the illegality of respondent's undertaking is baseless. The municipal council had the authority to choose the best site for its project. We also note that the market site was transferred with the active

participation of Camacho, who agreed to donate the 17,000-sq-m portion of her property; the new public market was constructed and became operational; and the sale of the 1,200-sq-m lot was consummated when Camacho executed the deeds herself. Thus, petitioner cannot be allowed to evade the payment of Camacho's liabilities under the contract with respondent; a contrary conclusion would negate the rule of estoppel and unjust enrichment.

As to the additional 1,000-sq-m-portion of Lot 261, however, we find and so hold that respondent is not entitled thereto.

Indeed, it was sufficiently established that an attorney-client relationship existed between Camacho and respondent and that the latter handled several other cases for his client. The records show that the parties had agreed upon specific sums of money as attorney's fees for the other cases:

Civil Case No. C-1773 P10,000.00[55]

Civil Case No. 424 P1,000.00[56]

CAR Case No. 278-Biñ70 P2,000.00[57]

CAR Case No. 520-Biñ73 P5,000.00[58]

Civil Case No. 3281 P5,000.00[59]

This clearly negates respondent's claim of an additional 1,000-sq-m share as compensation for services rendered. Likewise, there being no evidence on respondent's right over the 800-sq-m allegedly purchased from third persons, he is likewise not entitled to this portion of the property.

On the other hand, Camacho admitted in her Answer[60] to the Complaint-in-Intervention that respondent had purchased from her an 80-sq-m portion of the property. Since she had merely executed a Provisional Deed of Sale,[61] we agree with the RTC that respondent has the right to require the execution of a public instrument evidencing the sale.

It must be understood that a retainer contract is the law that governs the relationship between a client and a lawyer.[62] Unless expressly stipulated, rendition of professional services by a lawyer is for a fee or compensation and is not gratuitous.[63] Whether the lawyer's services were solicited or they were offered to the client for his assistance, inasmuch as these services were accepted and made use of by the latter, we must consider that there was a tacit and mutual consent as to the rendition of the services, and thus gives rise to the obligation upon the person benefited by the services to make compensation therefor.[64] Lawyers are thus as much entitled to judicial protection against injustice on the part of their clients as the clients are against abuses on the part of the counsel. The duty of the court is not only to see that lawyers act in a proper and lawful manner, but also to see that lawyers are paid their just and lawful fees.[65] If lawyers are entitled to fees even if there is no written contract, with more reason that they are entitled thereto if their relationship is governed by a written contract of attorney's fee.

In her fourth assigned error, petitioner claims that the CA failed to rule on the propriety of the dismissal of respondent as Camacho's counsel.

We do not agree. We uphold the following pronouncement of the CA on the matter:

In this case, the grounds relied upon by plaintiff Camacho as justifications for the discharge of Intervenor are not sufficient to deprive the latter of his attorney's fees.

Intervenor may see the case in an angle different from that seen by plaintiff Camacho. The procedures adopted

by Intervenor may not be what plaintiff Camacho believes to be the best. But these do not in any way prove that Intervenor was working to the prejudice of plaintiff Camacho.

Failure of plaintiff Camacho to prove that Intervenor intended to damage her, We consider the charges of plaintiff Camacho as mere honest difference of opinions.

As to the charge that Intervenor failed to account the money he collected in behalf of plaintiff Camacho, the same is not supported by any evidence. Suffice it to say that mere allegations cannot prove a claim.[66]

The ruling of the CA on the award of moral damages is likewise in accordance with the facts and established jurisprudence:

The act of plaintiff Camacho is a clear case of breach of contract. Worst, when Intervenor demanded payment, plaintiff Camacho adopted all sorts of strategies to delay payment. This case dragged on for twenty (20) years. And until this time, plaintiff Camacho continues to unjustifiably refuse the payment of the attorney's fees due to intervenor.

For these, one can readily imagine the worries and anxiety gone through by Intervenor. Award of moral damages is but proper.

Moral damages may be granted if the party had proven that he suffered mental anguish, serious anxiety and moral shock as a consequence of the act of the other party. Moral damages can be awarded when a party acted in bad faith as in this case by Camacho.[67]

IN LIGHT OF ALL THE FOREGOING, the appealed decision is **AFFIRMED** with the **MODIFICATION** that the award of a 1,000-square-meter portion of Lot 261 to respondent Atty. Angelito Banzon as attorney's fees is **DELETED**.

SO ORDERED.

Ynares-Santiago, Austria-Martinez, and Chico-Nazario, JJ., concur.

[1] Penned by Associate Justice Eugenio S. Labitoria (retired), with Associate Justices Cancio C. Garcia (now Associate Justice of the Court) and Artemio G. Tuquero (retired), concurring; rollo, pp. 127-141.

[2] Penned by Judge Abraham P. Vera; id. at 208-234.

[3] Records, p. 371.

[4] Exhibit "B."

[5] Rollo, p. 236.

[6] Kapasiyahan Blg. 127; Exhibit "E."

[7] Exhibit "I."

[8] Records, pp. 1-3.

[9] Id. at 154-155.

[10] Id. at 310-312.

[11] Id. at 325.

[12] Id. at 364-370.

[13] Annex "C," p. 372.

[14] The other cases which Atty. Banzon handled for Camacho are as follows: (1) Civil Case No. 3512 from which this petition stemmed; (2) CAR Case No. 278 B'70 entitled "Tuazon v. Camacho, et. al."; (3) Civil Case No. 3281 "Emilio Ma Naval, et.al. v. Camacho, et. al."; (4) I.S. No. 36-71; (5) CAR Case No. 520 B'73 "Tuazon v. Camacho"; (6) Civil Case No. C-1773 "Calvelo v. Camacho, et. al."; and (7) Civil Case No. 3510 "Balanga Market Vendors Association, et. al. v. Municipality of Balanga, et. al." (records, pp. 514-515).

[15] Records, p. 369.

[16] Id. at 413-417.

[17] Id. at 471.

[18] Id. at 524-525.

[19] Id. at 799-804.

[20] Id. at 801.

[21] Id.

[22] Id. at 802.

[23] Id. at 819-830.

[24] Exhibit "B."

[25] Records, Vol. II, pp. 40-43.

[26] Id. at 47-49.

[27] Id. at 99-100.

[28] Id. at 116-118.

[29] G.R. No. 79564, November 24, 1989, 179 SCRA 604.

[30] Supra note 2.

[31] Records, pp. 519-520.

[32] Section 7. Evidence of written agreements. - When the terms of an agreement have been reduced to writing, it is to be considered as containing all such terms, and, therefore, there can be, between the parties and their successors in interest, no evidence of the terms of the agreement other than the contents of the writing, except in the following cases:

(a) Where a mistake or imperfection of the writing, or its failure to express the true intent and agreement of the parties, or the validity of the agreement is put in issue by the pleadings;

(b) When there is an intrinsic ambiguity in the writing.

The term "agreement" includes wills.

[33] Section 24. Compensation of attorneys; agreement as to fees. - An attorney shall be entitled to have and recover from his client no more than a reasonable compensation for his services, with a view to the importance of the subject matter of the controversy, the extent of the services rendered, and the professional standing of the

attorney. No court shall be bound by the opinion of attorneys as expert witnesses as to the proper compensation, but may disregard such testimony and base its conclusion on its own professional knowledge. A written contract for services shall control the amount to be paid therefor unless found by the court to be unconscionable or unreasonable.

[34] Section 26. Change of attorneys. - An attorney may retire at any time from any action or special proceeding, by the written consent of his client filed in court. He may also retire at any time from an action or special proceeding, without the consent of his client, should the court, on notice to the client and attorney, and on hearing, determine that he ought to be allowed to retire. In case of substitution, the name of the attorney newly employed shall be entered on the docket of the court in place of the former one, and written notice of the change shall be given to the adverse party.

A client may at any time dismiss his attorney or substitute another in his place, but if the contract between client and attorney has been reduced to writing and the dismissal of the attorney was without justifiable cause, he shall be entitled to recover from the client the full compensation stipulated in the contract. However, the attorney may, in the discretion of the court, intervene in the case to protect his rights. For the payment of his compensation the attorney shall have a lien upon all judgments for the payment of money, and executions issued in pursuance of such judgment, rendered in the case wherein his services had been retained by the client.

[35] Records, pp. 521-523.

[36] Id. at 601-603.

[37] CA rollo, pp. 53-54.

[38] Supra note 1.

[39] CA rollo, p. 356.

[40] Id. at 367-368.

[41] Embodied in a Resolution dated April 16, 1997; CA rollo, pp. 510a and 510b.

[42] Rollo, pp. 58-59.

[43] Id. at 246-294.

[44] CIVIL CODE, Art. 1356.

[45] CIVIL CODE, Art. 1318, *Abalos v. Macatangay, Jr.*, G.R. No. 155043, September 30, 2004, 439 SCRA 649, 657; *Cathay Pacific Airways, Ltd. v. Vasquez*, 447 Phil. 306, 319 (2003); *ABS-CBN Broadcasting Corp. v. Court of Appeals*, 361 Phil. 499, 519 (1999).

[46] *Caugma v. People*, G.R. No. 167048, April 7, 2006, 486 SCRA 611, 641; *Regal Films, Inc. v. Concepcion*, 414 Phil. 807, 813 (2001).

[47] Records, p. 801.

[48] *Roble v. Arbasa*, 414 Phil. 343, 356 (2001).

[49] *Lim v. Court of Appeals*, 324 Phil. 400, 410 (1996).

[50] Supra note 5.

[51] Rollo, pp. 133-134.

- [52] Quiros v. Arjona, G.R. No. 158901, March 9, 2004, 425 SCRA 57, 64-65.
- [53] Roxas v. De Zuzuarregui, Jr., G.R. No. 152072, January 31, 2006, 481 SCRA 258, 276.
- [54] CIVIL CODE, Art. 1352.
- [55] Exh. "L-3."
- [56] Exh. "O"; TSN, August 14, 1980, p. 13.
- [57]] Exh. "P-10"; TSN, August 14, 1980, p. 15.
- [58] Exh. "Q-11"; TSN, August 14, 1980, p. 16.
- [59] Exh. "S-1"; Id.
- [60] Records, p. 802.
- [61] Annex "C," id. at 236.
- [62] Research and Services Realty, Inc. v. Court of Appeals, 334 Phil. 652 (1997).
- [63] Id.
- [64] Id., citing Perez v. Pomar, 2 Phil. 682 (1903).
- [65] Toledo v. Kallos, A.M. No. RTJ-05-1900, January 28, 2005, 449 SCRA 446, 456.
- [66] Rollo, p. 139.
- [67] Id. at 138.

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.