

BLOSSOM & COMPANY, PLAINTIFF AND APPELLEE, VS. MANILA GAS CORPORATION, DEFENDANT AND APPELLANT.

G. R. No 24777. March 03, 1926

Ponente: JOHNS, J.

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JOHNS, J.:

STATEMENT

Plaintiff sought to recover from the defendant P124,848.70 as damages for the breach of an alleged contract, with legal interest from November 23, 1923, and to enforce the contract made with the defendant, a copy of which is attached to the complaint and marked Exhibit A.

The answer is a general denial of all of the material allegations of the complaint.

The lower court rendered judgment in favor of the plaintiff and against the defendant for the sum of P26,119.08, with interest at the rate of 6 per cent from November 23, 1923, and costs. The defendant filed a motion to set aside the judgment and for a new trial, which was overruled, and exception taken.

The defendant appeals and assigns the following errors:

"The court erred:

"1. In overruling the demurrer of July 23, 1924.

"2. In finding that the last amended complaint stated facts sufficient to constitute a cause of action.

"3. In overruling defendant's motion at the opening of the trial.

"4. In finding that a contract existed between plaintiff and defendant.

"5. In awarding damages to plaintiff.

"6. In assessing the damages at P26,119.06.

"7. In giving judgment for plaintiff."

JOHNS, J.:

The real question involved in this case is whether or not what is known in the record as Exhibit A is a valid and binding contract between the plaintiff and the defendant. It purports on its face to have been made on January 30, 1919, and to be in force and effect for a period of ten years from that date, and it was a contract for the purchase of a certain amount of coal and water gas tars to be manufactured by the defendant during that period.

The defendant vigorously contends that it never made any contract with the plaintiff, and that the only contract which it did make, if any, was with the American Paint and Chemical Company, which never had any legal existence.

In an exhaustive, well written opinion, in which a careful and detailed analysis of the evidence was made, the lower court found all of the material facts in favor of the plaintiff, that the alleged contract was a valid contract between the plaintiff and the defendant, and that, although the American Paint and Chemical Company was not a partnership or corporation, yet in truth and in fact, it was a nominal subdivision or a subsidiary branch of the plaintiff.

We are clearly of the opinion that the findings of the trial court are sustained by the weight of evidence.

The record is conclusive that while the contract in question was ostensibly made with the American Paint and Chemical Company, the defendant knew that the American Paint and Chemical Company did not have any legal existence, and that in truth and in fact the contract was made with the plaintiff. Conclusive evidence of that fact is found in the agreement made on March 27, 1919, between the plaintiff and the defendant in and by which the defendant sold to the plaintiff a parcel of land for the agreed price of P18,140.20, of which P1,000 was paid at the time, and the remainder to be made in subsequent payments, and which were secured by a first mortgage on the property. It is very apparent that this land was purchased by the plaintiff in connection with, and as a part of, the contract for the sale and purchase of water gas and coal tars, and to facilitate the carrying out of that contract on the part of the plaintiff.

The amount of the damages awarded by the trial court for the breach of the contract is also sustained by the evidence. That fact appears from the entries made in the corporate books of the defendant itself.

In their briefs and oral argument, opposing counsel were somewhat poetic, and in their "fine frenzy rolling," they did "glance from heaven to earth, from earth to heaven," and one of them was willing to give a "kingdom for a horse." But, getting back to earth, the proof is conclusive that the defendant entered into a valid contract with the plaintiff for a period of ten years, and that without cause, it broke the contract, and it is equally clear that plaintiff has sustained the damages allowed by the lower court. It may be that, through the filing of a cross-complaint in the foreclosure suit, the plaintiff could have recovered its damages in that suit, but that is a matter for which the defendant had no legal right to complain.

The judgment of the lower court is affirmed, with costs. So ordered.

Avanceña, C. J., Street, Malcolm, Villamor, Ostrand, Romualdez, and Villa-Real, JJ., concur.

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