

RAMON CARENAN AND SONNY CARENAN, PETITIONERS, VS. HONORABLE COURT OF APPEALS AND PASCUAL DE JESUS, RESPONDENTS.

G.R. No. 84358. May 31, 1989

Ponente: CRUZ, J.

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CRUZ, J.:

The petitioners pray for the invalidation of a Kasunduan on the ground that it does not express the true intention of the parties and was in fact vitiated with fraud. We are asked in effect to deviate from the parol evidence rule under which there can be no evidence of the terms of a written agreement other than the writing itself.

The Kasunduan[1] was executed on February 6, 1978, by Ramon Carenan, one of the herein petitioners, and private respondent Pascual de Jesus. It was written in Tagalog and duly acknowledged before a notary public. By this agreement, De Jesus lent one-half hectare of his land to Carenan for the crop years 1978-80 under a sharing arrangement "in accordance with existing law."

After the expiration of the agreed term, De Jesus filed a complaint against Ramon Carenan and his son Sonny Carenan, the other petitioner in this case. The plaintiff alleged that the defendants had constructed their houses on the land without his permission and had refused to demolish the same, as well as to vacate his property, despite his repeated demands. He invoked the Kasunduan. He asked for the removal of the houses and the return of the land, besides moral and exemplary damages, attorney's fees and the costs of the suit.[2]

In their answer, the petitioners impugned the Kasunduan and averred that they had been cultivating the land as early as 1969 as tenants of the plaintiff on a 50-50 sharing arrangement. In fact, they said, they were tenants not only of one-half hectare of the plaintiff's land but of its entire area of one and one-half hectares. The Kasunduan was a sham agreement which De Jesus had tricked Ramon Carenan into signing. De Jesus had pretended he only needed the document to support a pending loan application he had filed with a bank and had assured Carenan that it would not affect their tenancy relationship. The defendants argued that as they could not be ousted from the land under the law, the complaint for ejectment should be dismissed. They also counterclaimed for moral and exemplary damages, attorney's fees and the costs of the suit.[3]

The plaintiff himself testified at the trial that he had lent the one-half hectare of his land to Ramon Carenan only out of compassion for him and to help him with the education of his son. He denied that the defendants were his tenants. Notary Public Catalino Alano declared that he had read the Kasunduan to the parties and that it reflected their true agreement.[4] The other corroborating witnesses were Paulino de Jesus, a relative and neighbor of the plaintiff, and Fernando Alday, barangay captain. They stated under oath that Ramon Carenan was only a hired laborer of the plaintiff and worked as a "cargador" or "loader" of sugar cane in the latter's land.[5]

Only Ramon Carenan testified for the defense, and incompletely at that. The continuation of his direct examination was reset on joint motion of the parties but it was never resumed because of the non-appearance of both Carenan and his counsel on the scheduled date and hour. This prompted the trial court to declare the case

submitted for decision.[6] Carenan's testimony was not subjected to cross-examination nor was it formally offered in evidence by the defense.

The trial court found for the defendants, holding that they were tenants of the plaintiff. Although agreeing that they had admitted the authenticity and due execution of the Kasunduan, Judge Inocencio U. Nakalinao nevertheless rejected it in the end, finding that there was what he called "the requisite proof to overcome the recitals of (the) public document." [7] He was, however, reversed by the Court of Appeals.[8] Its decision, which is now before us in this petition for review, sustained the Kasunduan under the parol evidence rule. The respondent court held that the defendants had not succeeded in showing that the agreement was not truly expressive of the will of the parties.

The parol evidence rule is embodied in Rule 130, Section 7, of the Rules of Court as follows:

Sec. 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.

The rule is based on the presumption that the parties "have made the writing the only repository and memorial of the truth and whatever is not found in the writing must be understood to have been waived and abandoned." [9] As Wigmore would put it, "When a jural act is embodied in a single memorial, all other utterances of the parties on that topic are legally immaterial for the purpose of determining what are the terms of their act." [10]

In upholding the Kasunduan, the respondent court declared:

We find that the plaintiff's evidence is sufficient to establish his cause of action on the basis of the "Kasunduan," the authenticity and due execution of which was admitted by defendants in their answer. The said Agreement expressly provided that the area leased to defendants was 1/2 hectare, and that the same was to be returned or surrendered upon the expiration of the agreement. The lawyer who prepared, typed and notarized the document testified that the same reflected the agreement of the parties, to whom he personally read the contents of the deed (t.s.n. Dec. 17, 1985). Defendant had made no pretense or allegation that he was misled by plaintiff's misrepresentation into signing the "Kasunduan." As a public instrument which enjoys the presumption of regularity, clear and convincing evidence is necessary to contradict the terms thereof; and since there is no allegations of any intrinsic ambiguity in the writing, nor of mistake or imperfection thereof, parol evidence is not admissible to vary the contents thereof (Rule 130, Sec. 7).

In rejecting the Kasunduan as a simulated agreement which the defendants were deceived into signing, the trial court correctly declared that fraud "cannot be presumed but must be established by clear and sufficient evidence." Yet, disregarding the very rule he had stressed, the judge readily accepted Ramon Carenan's unsupported and self-serving testimony that the Kasunduan did not "express the true intent and agreement of the parties." [11]

The trial court relied on the testimony of Alday and Paulino de Jesus that the petitioners' houses had been constructed on the land earlier than 1978. That is hardly the convincing evidence to prove that Ramon Carenan had been deceived when he signed the Kasunduan. The connection is tenuous and the conclusion far-fetched. At the same time, and for no valid (or given) reason either, the judge ignored the testimony of these same witnesses

that the petitioners were merely hired laborers and not tenants of the private respondent.

As for Ramon Carenan himself, the respondent court was correct in disbelieving him when, while insisting that he was a tenant rather than a hireling, he could nevertheless not remember what his share was in the proceeds of the crop years 1969-70 and 1970-71.[12] Even if he had finished only Grade III, as underscored in the petition, it is not likely that a farmer like him would forget such an important matter as his share in the yield of the land he had worked and cultivated. A farmer does not need formal schooling to remember this basic and important detail. If he was really a tenant, as he claims, he could not easily have forgotten his participation in the fruits of his labors during the crop years in question.

And going back to the Kasunduan, which he signed despite his limited education, the Court notes that it was written in Tagalog, Carenan's native tongue, and was actually read to him by witness Alano before it was notarized. There could not have been any misrepresentation by the private respondent as to its contents nor have the petitioners themselves complained on this score.

At any rate, we find that the petitioners have not established by convincing evidence that the Kasunduan does not reflect or express the true intent of the parties. And as they do not allege any of the other exceptions to the parol evidence rule, there is no justification for the Court to deviate from the said rule and to hold that the parties are not bound by their agreement.

The only other point to consider is the following stipulation in the Kasunduan which the petitioners contend indicates that it was a tenancy agreement rather than a contract of services:

2. Na, ang magiging ani sa naulit ng dalawang pailo ay babahagiin ng NAGPAHIRAM at NANGHIRAM, matapos na maawas ang lahat ng gastos, ayon sa itinakda ng batas na umiiral.

It cannot be denied that this paragraph, especially the last phrase thereof, does suggest a tenancy sharing. However, the record does not show how such sharing was actually effected, if at all, and, no less significantly, what the parties meant by the existing law ("batas na umiiral"), which could refer to the tenancy law or to agricultural minimum wage law. Besides, and more importantly, the petitioners cannot invoke the Kasunduan when it serves their purpose and at the same time reject it when it operates against their interests. This is a convenience the Court will not permit.

The same observation is made of the private respondent's objection to Carenan's testimony on the ground that it was neither subjected to cross-examination nor formally offered. Such objection is inconsistent with his stand that that same testimony - especially Carenan's inability to remember his share in the yield of the land - belies the petitioners' pretension that they are tenants and not hired help. It is clear that De Jesus cannot invoke and challenge Carenan's testimony in the same breath; he must either accept it entirely or reject it in toto.

The Court is not unaware of the tenderness of the Constitution and existing laws toward our farmers in recognition of their tremendous contributions to the nation's welfare and in line with the great policy of social justice. There is no need to remind us of the need to improve their lot and to protect them from deception and exploitation by rapacious landowners who have no compunction in depriving the already deprived of what little they still have to enable them to exist and survive. But such protection is not called for in the case at bar because the petitioners are not oppressed supplicants deserving of the law's compassion nor is the private respondent a heartless hacendero scheming to divest them of their legal rights. We see here no imposition or injustice or deception calling for the sympathy and succor of this Court.

It cannot be repeated often enough that although the balance must be tilted in favor of the less privileged, social justice, by its nomenclature alone, is justice for all.

WHEREFORE, the petition is DENIED with costs against the petitioner. It is so ordered.

Narvasa, (Chairman), Gancayco, Griño-Aquino, and Medialdea, JJ., concur.

[1] Exhibit "A".

[2] Rollo, pp. 20-23.

[3] Rollo, pp. 24-27.

[4] Rollo, p. 40.

[5] Rollo, p. 41.

[6] Rollo, p. 31.

[7] Rollo, p. 35.

[8] Gonzaga-Reyes, J., ponente, Camilon and Ramirez, JJ., concurring.

[9] Moran, Comments on the Rules of Court, Vol. 5, 1970 Ed., p. 104.

[10] Ibid., p. 107.

[11] Rollo, p. 35.

[12] Rollo, p. 40.

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