

CONSUELO REYES, MARIO FRANCISCO AND MARILA BERCEÑO, PETITIONERS, VS. COURT OF APPEALS AND JOSE ORTAÑEZ AND ANGEL ASEOCHE, RESPONDENTS.

G.R. No. 94214, December 01, 1992

Ponente: CRUZ, J.

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CRUZ, J.:

This case demonstrates once again the acute housing problem in the urban areas and the bitterness that characterizes the struggle for a roof over one's head as part and parcel of the right to a decent life.

The subject of this controversy is a 4-unit apartment building located at Makisig Street in Sta. Mesa, Sampaloc Manila. It was originally owned by private respondent Jose Ortañez and leased separately to the three petitioners herein, namely, Consuelo Reyes, Mario Francisco and the late Felix Berceño (now represented by his daughter Marila) and private respondent Angel Aseoché.

In a letter dated October 2, 1980, Ortañez offered to sell the building to the said lessees for P150,000.00 and gave them 30 days within which to reply. In due time, Reyes and Aseoché wrote separately to Ortañez indicating their interest in purchasing the units they were respectively occupying. Francisco and Berceño did not respond.

Reyes did not pursue her intention to purchase her unit. Aseoché, for his part, negotiated with Ortañez and when offered the option to buy the entire building, asked for the reduction of the purchase price to P120,000.00. Ortañez agreed and accordingly they executed a Deed of Absolute Sale on January 29, 1981.[1] Aseoché made a down payment of P80,000.00 on that date and paid the balance of P40,000.00 sometime in May 1981. Afterwards he had the property registered and a new certificate of title was issued in his name.

On May 31, 1981, Aseoché notified the petitioners in writing that he was now the owner of the whole building; later at his request, they attended a meeting at which he showed them his muniments to the said property. In July of the same year, he informed the petitioners that he was intending to renovate the building and advised them to look for another place where they could stay temporarily. In December 1981, he told them to vacate their respective units within 90 days because the premises would be occupied by his son, brother and sister.

Meanwhile, the petitioners had filed on October 16, 1981, a complaint against Aseoché and Ortañez for Annulment of Title/Sale with Damages, later amended to include a prayer for Specific Performance. After trial, judgment was rendered by the Regional Trial Court of Manila on April 8, 1987, ordering respondent Aseoché to convey to the petitioners their respective units upon payment of their proportionate part in the total purchase price "computed at P150,000.00." [2]

Upon appeal to the respondent court, the decision was reversed and the complaint dismissed.[3] Their motion for reconsideration having been denied, the petitioners are now before this Court for a review on certiorari of the decision of the Court of Appeals.

The petitioners say they are raising not only questions of law but also questions of fact as an exception to the

general rule. Their grounds are that the findings of the respondent court are contrary to those of the trial court and that the judgment is based on a misapprehension of facts.

We do not believe that the respondent court has committed any reversible error in the appreciation of the evidence.

The petitioners claim that they had commissioned Aseoche to speak for all of them in negotiating the sale of the building, but they have not shown any written evidence to that effect. Aseoche denies such authorization. Reyes for her part wrote her own reply^[4] to Ortañez reading as follows:

618-B Makisig Street

Bacood, Sta. Mesa, M. Mla.

Mr. Jose Ortañez

The Administrator

960 Aurora Blvd.

Quezon City

Sir:

This is in connection with your letter dated October 2, 1980 regarding your offer to sell tenanted premises at Makisig Street, Bacood, Sta. Mesa, Metro Manila which we are at present occupying at No. 618-B.

This is to inform you that we are interested to purchase the said Unit which we are at present the occupants. Please give us the detail on how we could be able to purchase the said Unit, if it's not yet subdivided.

Very truly yours,

CONSUELO G. REYES

If it be true that she authorized Aseoche to represent her and the other petitioners, the Court can only wonder why she still felt it necessary to write her own separate reply to Ortañez. To add to the confusion, the other petitioners now submit that Reyes wrote that letter not only on her own behalf but also of theirs, as manifested in the use of the pronoun "we" to refer to all three of them.

Notably, the letter was signed only by Reyes and there was no specific reference therein to either Francisco or Berceño by name. Reyes obviously used the collective pronoun to refer to her family when she wrote of "the tenanted premises... which we are at present occupying at No. 618-B." Neither the Francisco family nor the Berceño family was living with Reyes in Apartment 618-B. Berceño occupied Apartment 618 and Francisco Apartment 618-A. The petitioners' claim that the Reyes's letter was written for all of them would also contradict their own contention that they authorized Aseoche as their trusted neighbor to speak and negotiate for all of them.

The petitioners' imputation of bad faith to Aseoche has not been satisfactorily established. Their claim is that they came to know about the offer only from the late Felix Berceño who accidentally learned this from Ortañez. It was only when they verified this matter with Aseoche that they first saw the letter addressed "To All Tenants" that had been sent through him by Ortañez. Even if this were true the non-delivery of the letter would nevertheless not amount to bad faith as it has not been shown to be deliberate. Indeed, Aseoche did not deny such letter when asked about it by the petitioners. In fact they testified that Aseoche readily showed them the letter and Reyes even got a copy of it which she presented at the trial as one of her exhibits.

The petitioners' contention that Aseoche was a confidante of Ortañez was refuted by Atty. Ramon Carpio, who testified that Aseoche was employed not by private respondent Ortañez but by the Ortañez University which was managed and administered solely by Ortañez's brother. The collection of rentals by Ortañez until May 1981 is explained by the fact that Aseoche completed his payment of the purchase price only in May 1981.

It would appear that it was the trial court that has misapprehended the facts, making it necessary for the respondent court to rectify them.

So much then for the facts, now for the legal issues.

The first issue is whether or not there was a perfected agreement to sell between the petitioners and Ortañez that was violated with the sale of the entire building by Ortañez to Aseoche.

The letter sent by Ortañez to the petitioners Aseoche read as follows:[5]

TO ALL TENANTS

Makisig Street

Mandaluyong, MM

Thru: Mr. Angel Aseoche

Tenant

Re: Offer to sell tenanted premises at Makisig St., Bagumbayan, Mandaluyong, Metro Manila

Gentlemen:

Please consider this as an offer for sale from the undersigned owner of the premises you are occupying situated at _____ for the total sum of ONE HUNDRED FIFTY THOUSAND (P150,000.00) PESOS. Considering that you are tenants, the undersigned hereby gives you priority rights to buy your respective premises in accordance with the urban land reform code, as amended.

Kindly, therefore, signify your interest to buy the premises within thirty (30) days from receipt hereof, otherwise, the undersigned will offer for sale the property to interested third parties.

Trusting that you are sufficiently advised.

Yours very truly,

(SGD.) JOSE S. ORTAÑEZ

As it has already been shown that petitioners Francisco and Berceño were not represented by either Aseoche or Reyes, the conclusion must follow that they never responded to Ortañez's offer and so could not have accepted the same. It is true that they testified to having verbally manifested their acceptance to Ortañez but they have nothing to prove this beyond their own self-serving assertion. Moreover, this claim has been denied by Carpio, who testified as administrator of Ortañez's properties, including the building in dispute.

As for Aseoche and Reyes, their separate responses merely indicated their interest in buying their respective units. Reyes in fact inquired about the details of the sale of her unit because the property had not yet been subdivided. Beyond that, Reyes did nothing more. Aseoche, for his part, pursued his interest and started negotiating with Ortañez, resulting in the sale of the entire property to him at the reduced price of P120,000.00.

Reyes's letter to Ortañez did not have the effect of perfecting any contract to sell because there was no meeting of the minds between them regarding the subject matter of the sale and the consideration therefor. All she indicated

was an interest in buying, which was not a definite commitment to buy pending determination of the price of her unit. This could not be reached by simply dividing the offered purchase price of P150,000.00 because the unit occupied by Aseoche was bigger than the other three units occupied by the petitioners. Hence, the respondent court was correct in holding:

It is apparent in the aforequoted letter-reply that there was no acceptance of the offer by plaintiff-appellee Reyes as what she manifested therein was only an "interest to purchase the said unit." An interest to purchase is certainly different from an acceptance of the offer to sell. The letter-offer to sell not having been accepted there was no perfected agreement to sell between plaintiff-appellee Reyes and defendant Jose Ortáñez. An unaccepted offer to sell creates no legal bond. It is the acceptance of the offer that gives life to juridical obligation (*Baroque vs. Marquez, et al.*, [CA] 37 O.G. 1911). Only an absolute or unqualified acceptance of a definite offer manifests the consent necessary to perfect a contract (*Weldon Construction Corp. vs. Court of Appeals*, 154 SCRA 618).

The petitioners also assert that the sale between Aseoche and Ortáñez was tainted with fraud and bad faith because: a) Aseoche pursued his own selfish motives instead of protecting their common interest; b) Ortáñez offered to sell the apartment for P150,000.00 to all the tenants but sold it only to Aseoche and, worse, for only P120,000.00 and on installment basis; and c) the absolute deed of sale stated that the whole consideration of P120,000.00 was paid to the vendor on January 29, 1981, although Aseoche paid the balance only in May 1981.

The kind of fraud that will vitiate a contract refers to those insidious words or machinations resorted to by one of the contracting parties to induce the other to enter into a contract which without them he would not have agreed to.[6] Obviously, even assuming that the acts mentioned above constituted bad faith, they nonetheless cannot be the "fraud" contemplated by Art. 1338 of the Civil Code.

Besides, the party entitled to invoke fraud or bad faith as a ground for nullifying a contract is the one who was tricked into giving his consent thereto.[7] Strangers to a contract cannot sue either or both of the contracting parties to annul and set aside the same except when he is prejudiced in his rights with respect to one of the contracting parties and can show detriment which would positively result to him from the contract in which he has no intervention.[8] Such exception does not obtain in this case because no right was acquired by the petitioners in the subject property that could be prejudiced by the questioned contract.

What we see here is that the petitioners decided to challenge the sale between the private respondents only because and after they were asked to vacate the subject property although they had not earlier manifested or pursued any interest in buying it when it was formally offered for sale to them. The facts as appreciated by the respondent court and the principles governing consent as an essential requisite of a valid contract must operate against them.

WHEREFORE, the petition is DENIED and the challenged decision is AFFIRMED, with costs against the petitioners.

SO ORDERED.

Padilla, Griño-Aquino, and Bellosillo, JJ., concur.

[1] Exhibit "1- Aseoche."

[2] Thru Judge David G. Nitafan; Original Records, p. 263.

[3] Penned by Ordoñez-Benitez, J., with Lombos-de la Fuente and Fule, JJ., concurring Rollo, p. 42.

[4] Exhibit "B."

[5] Exhibit "A."

[6] Art. 1338, Civil Code of the Philippines.

[7] Art.1397, Civil Code of the Philippines; Jurado, Comments and Jurisprudence on Obligations and Contracts, 1987 Ed., p. 536 citing 8 Manresa, 5th Ed., Bk. 2, p. 639 and Wolfson vs. Estate of Martinez, 20 Phil. 340.

[8] Mabalanan vs. Gaw Ching, 181 SCRA 84; Singsong vs. Isabela Sawmill, 88 SCRA 623; De Santos vs. City of Manila, 45 SCRA 409; Teves vs. People's Homesite & Housing Corp., 23 SCRA 1141.

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