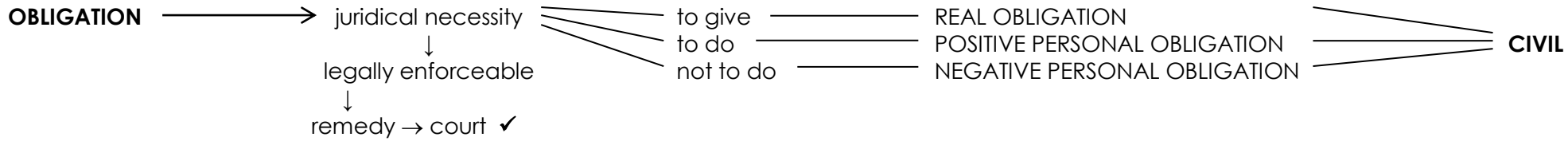
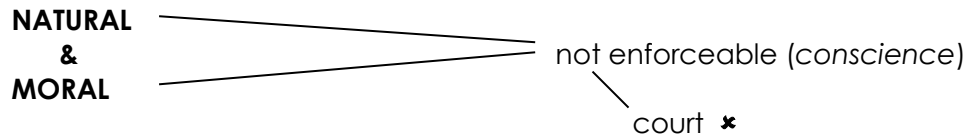


RFBT: Law on Obligation



vs.



Prescription:

- Oral – 6 years
- Writing – 10 years

*In natural obligation, the third person can recover if he is not aware.

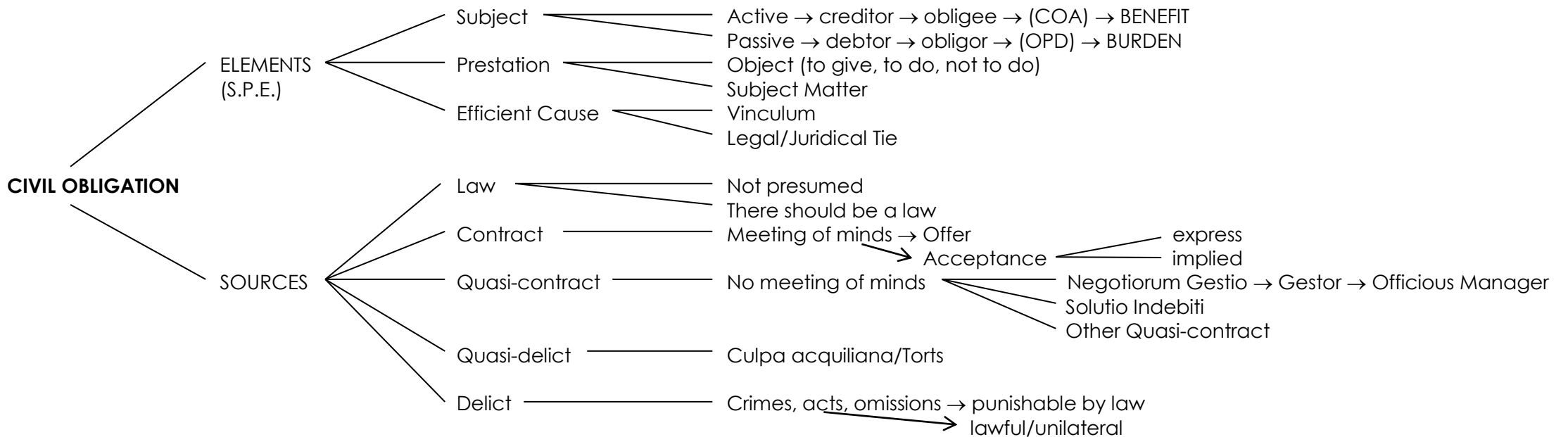
"You are excuse for not knowing the facts." →

	<u>ACTS</u>	<u>RESULTS</u>
<u>Quasi-contract</u>	Lawful	Benefit
vs.		
<u>Quasi-delict</u>	Lawful	Damages
vs.		
<u>Delict</u>	Unlawful	Damages

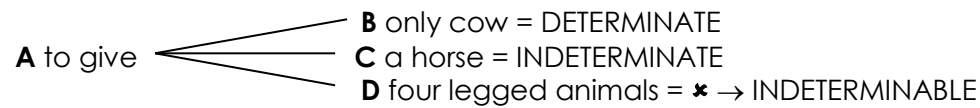
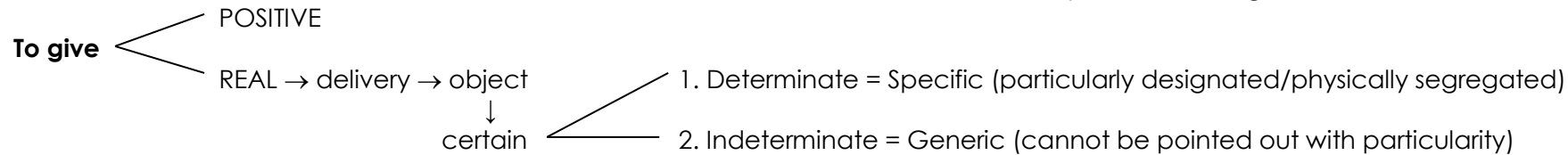
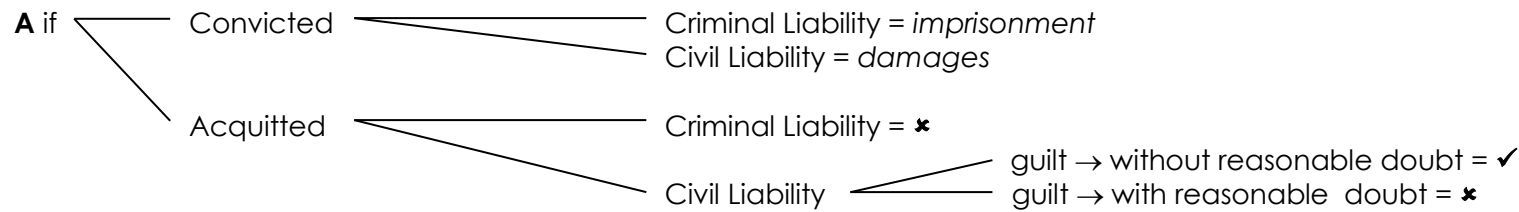
Real Obligation → transferable right

DAMAGE – injury
 DAMAGES – compensation

Bilateral → ee & or → Contract of Lease



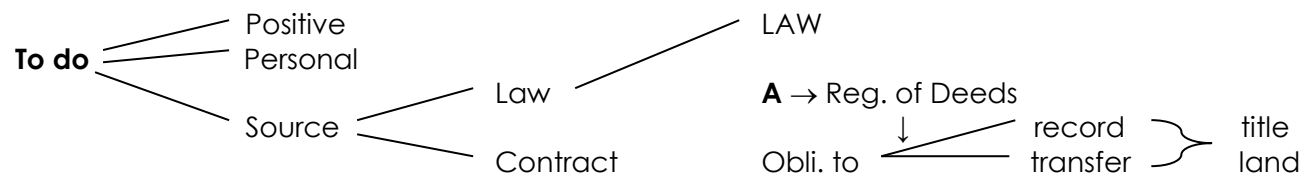
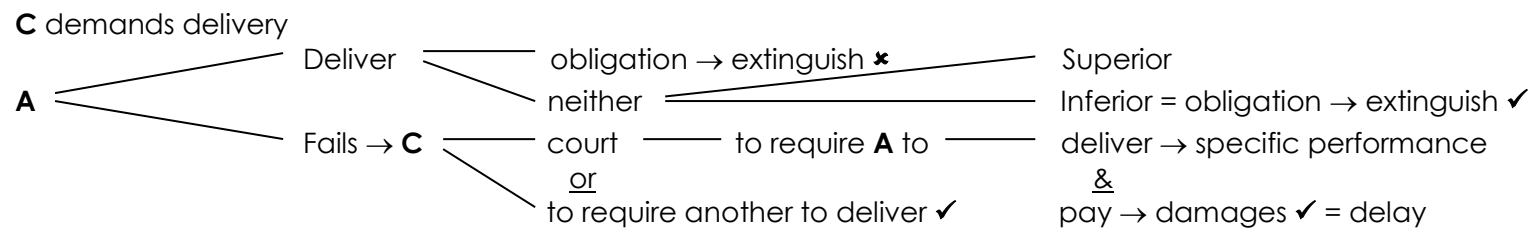
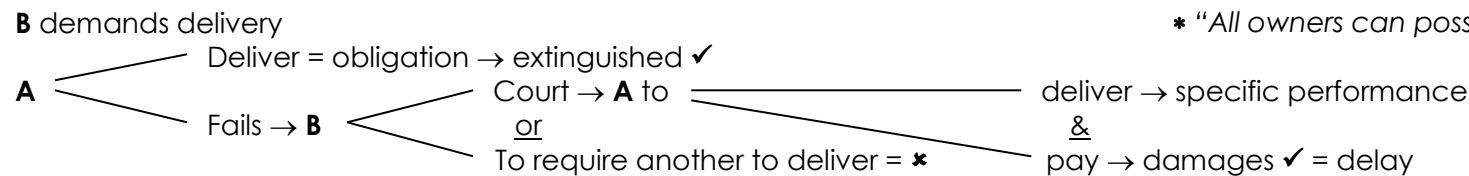
DELICT → crime → PP vs. Accused



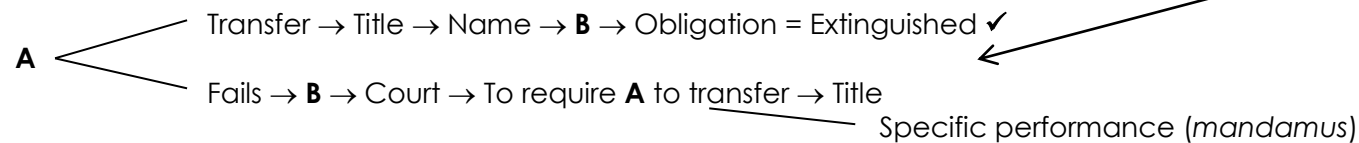
2 RIGHTS

- REAL – enforceable against the whole world
- PERSONAL – enforceable against another person

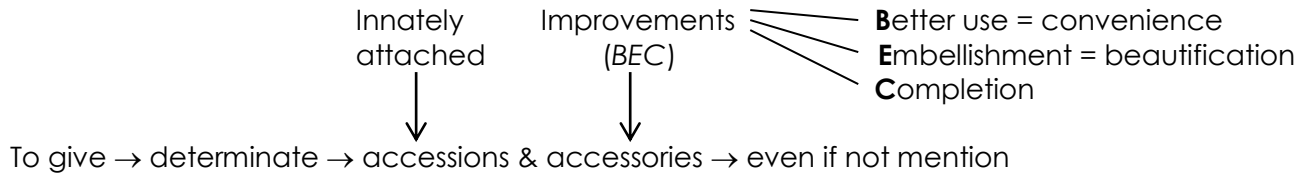
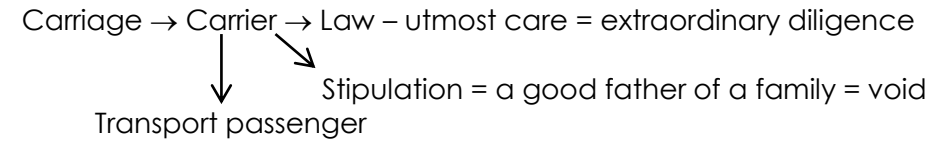
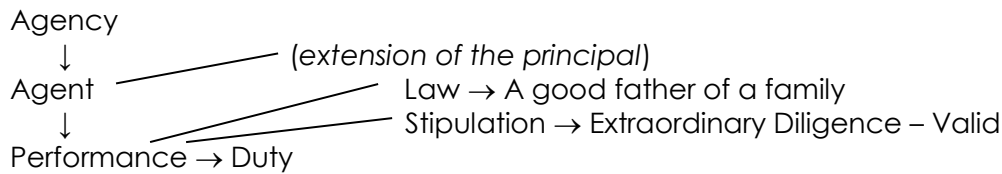
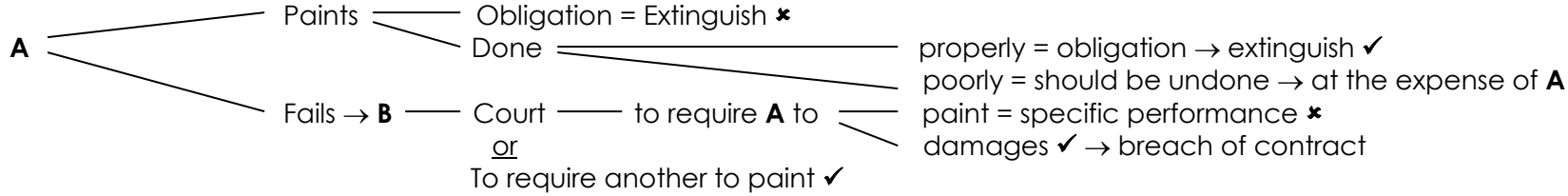
* "All owners can possess, but possessors are not all owners."



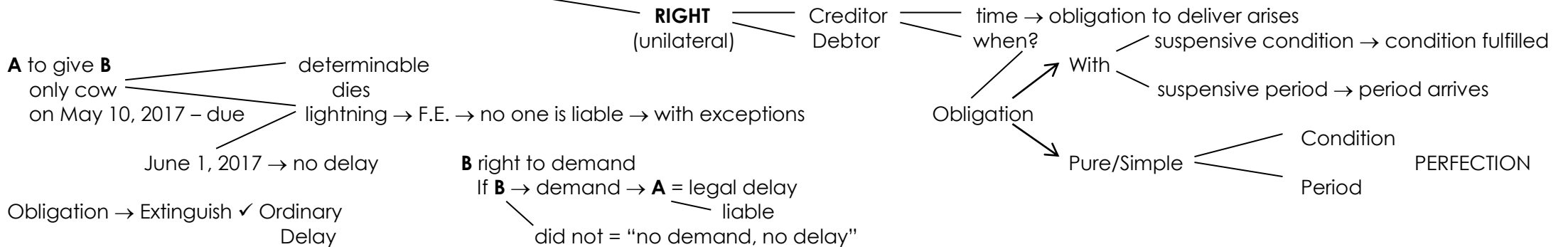
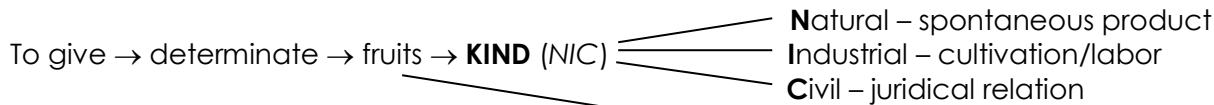
S sells land to **B**
 Title – Name – **S**
B demands transfer of title



A to paint B portrait. B demands fulfillment.



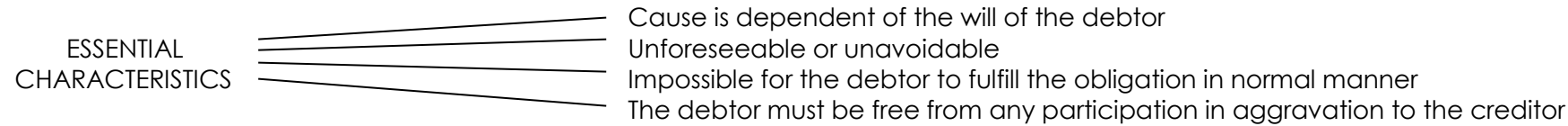
VALID – according to law
 VOID – in existence of null – against the law
 *"No one is above the law"
 Unconscionable = shocking to the conscience
 Right ≠ Ownership



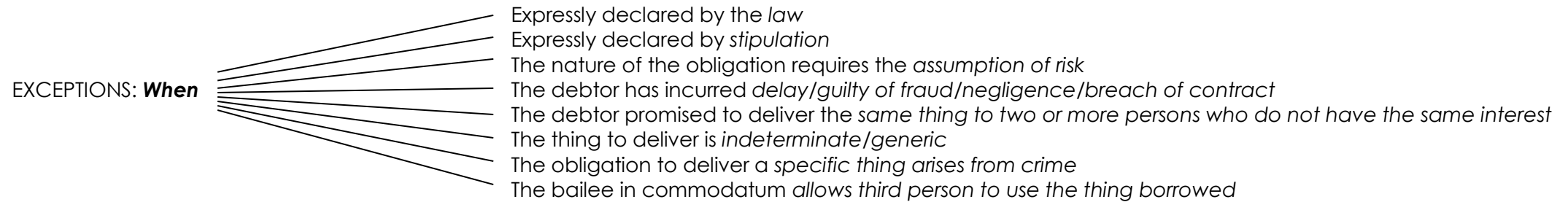
SPECIFIC CIRCUMSTANCES AFFECTING OBLIGATIONS IN GENERAL

1. FORTUITOUS EVENT

- ⇒ cannot be foreseen
- ⇒ foreseeable are inevitable

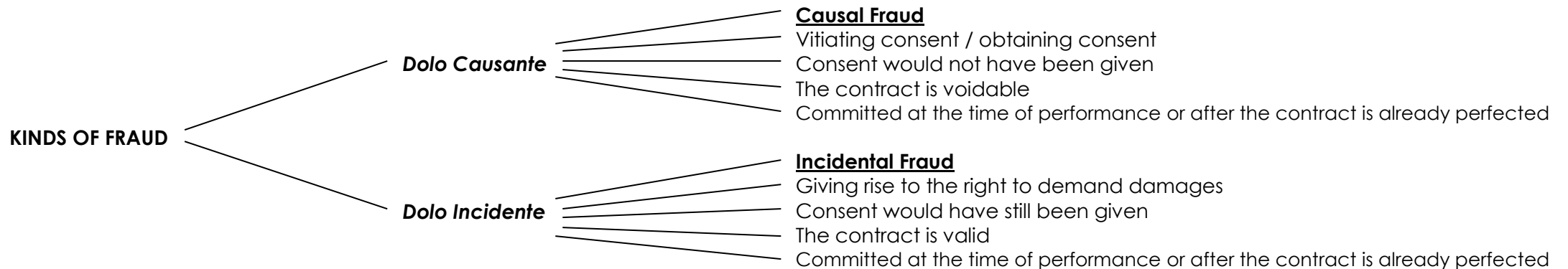


GENERAL RULE: No person shall be liable for fortuitous events. (*Obligation → Extinguished*)



2. FRAUD (or *Dolo*)

- ⇒ deliberate or intentional evasion
- ⇒ must be present during the performance of the obligation
- ⇒ not fraud at the time of the birth of the obligation
- ⇒ *Liable*: direct & foreseeable

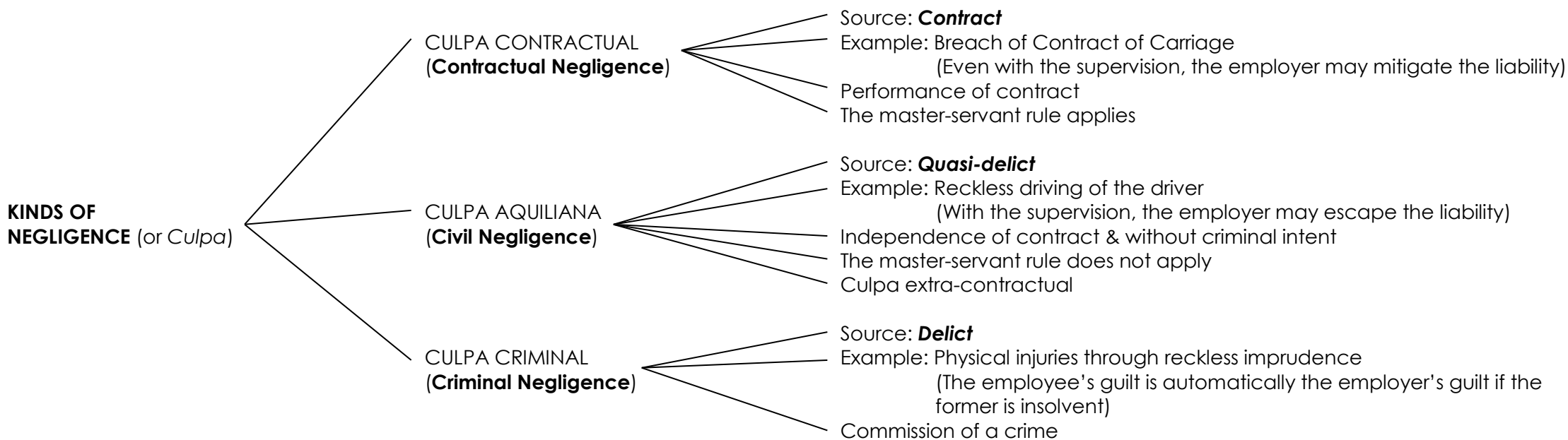


Future Fraud ————— Cannot be renounced
 Waiver → cannot be made → void → the debtor is liable for damages

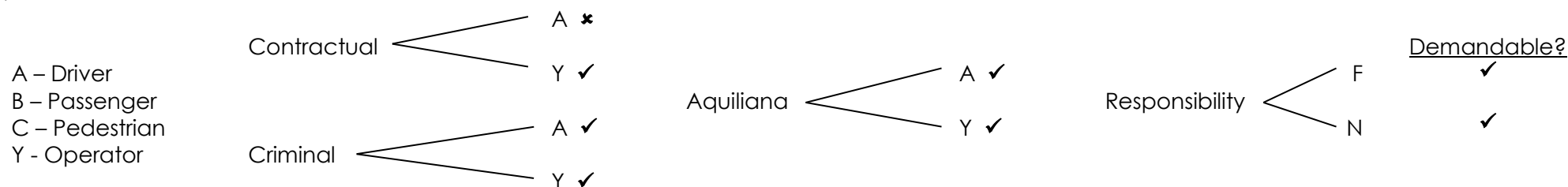
Past Fraud ————— Can be renounced
 Waiver → may be made → valid → act of liberality of creditor

3. **NEGLIGENCE** (or *Culpa*)

- ⇒ Omission of that diligence
- ⇒ *Master-Servant Rule*: The negligence of the servant is the negligence of the master.
- ⇒ *Test*: Diligence of a good father of a family
- ⇒ *Liable*: Direct consequence



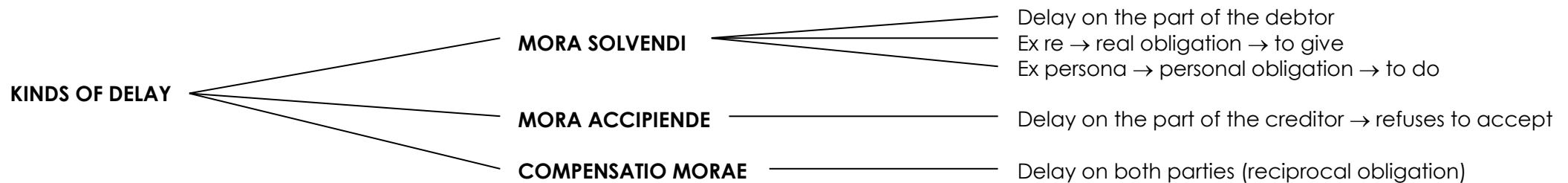
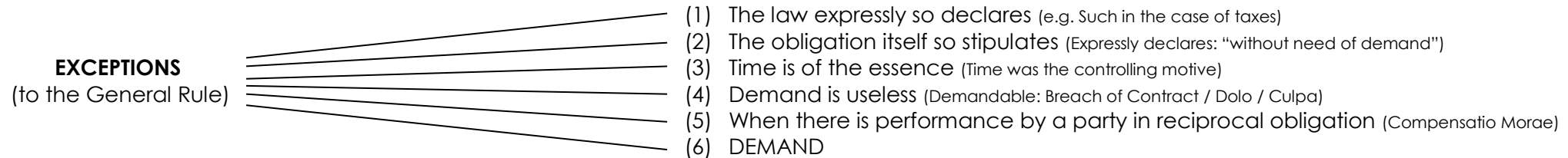
EXAMPLE:



*COMMON CARRIER → presumed to be negligence

4. DELAY (or Mora)

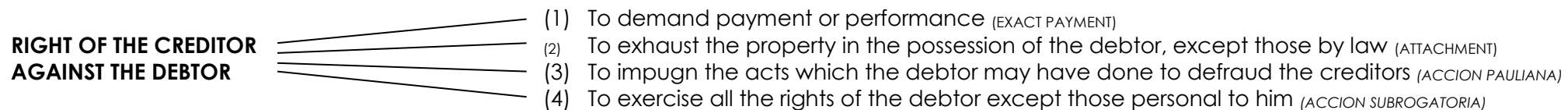
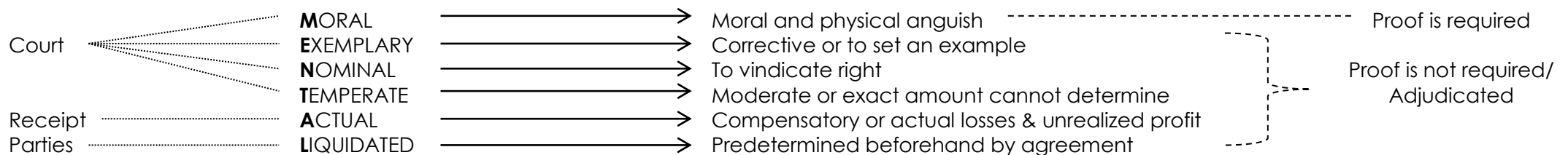
- ⇒ Nonfulfillment of obligation with respect to time
- ⇒ Effect of Delay: Liable for payment of damages
- ⇒ Note: There is no delay in 'obligation not do' as one cannot be delay for not doing something
- ⇒ General Rule: "No demand, no delay"



DAMAGES → harm done and sum of money that may be recovered

INJURY → legal wrong/unlawful/tortuous act

KINDS OF DAMAGES



ACCION PAULIANA → the right to rescind or impugn fraudulent act
 → the rights to set aside, revoke, or cancel the acts, which the debtor may have done to defraud him.

ACCION SUBROGATORIA → the right to be subrogated
 → the creditor may exercise in the place of his debtor in order to preserve or recover the property lost or transferred so that he can satisfy his own credit

TRANSMISSIBILITY OF RIGHTS

GENERAL RULE: All rights acquired by virtue of an obligation are transmissible.

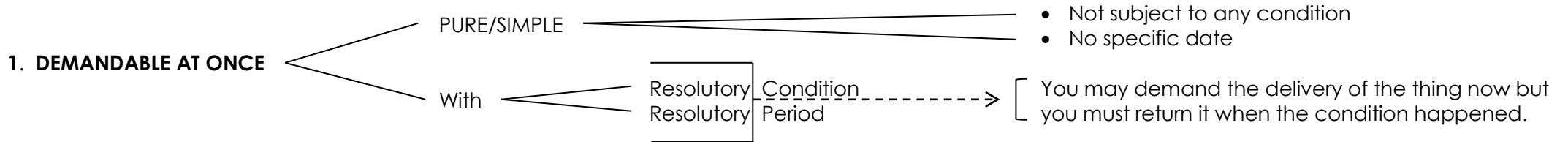
EXCEPTIONS (to the General Rule)

- _____ (1) When the law prohibits the transfer of rights
- _____ (2) When the stipulation of the parties prohibits the transfer of rights
- _____ (3) When the nature of the obligation does not permit transmission of rights

Note:

- ✚ It is the right of a person that is transmissible not the obligation.
- ✚ The creditor may assign a third person or such right is transmitted to the heirs upon death.

KINDS OF OBLIGATION

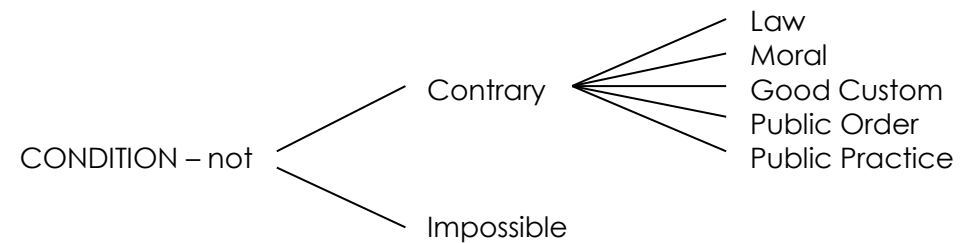


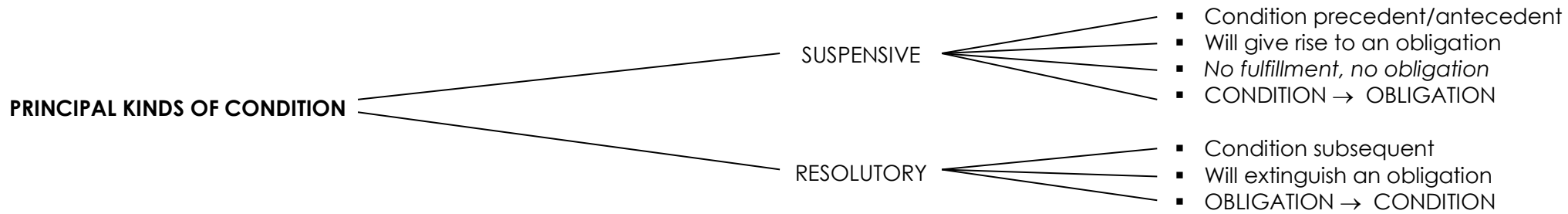
Will it happen?

- _____ Yes = Period
- _____ Maybe = Condition

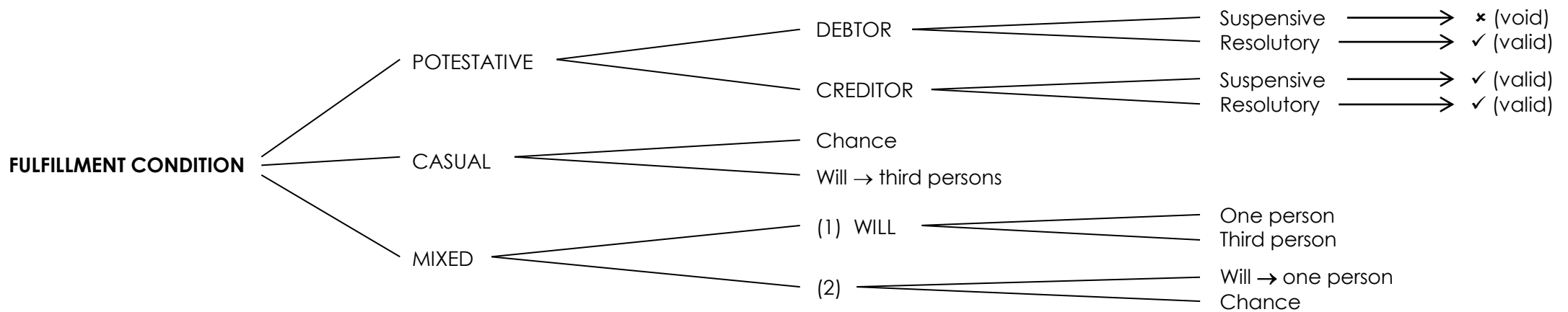
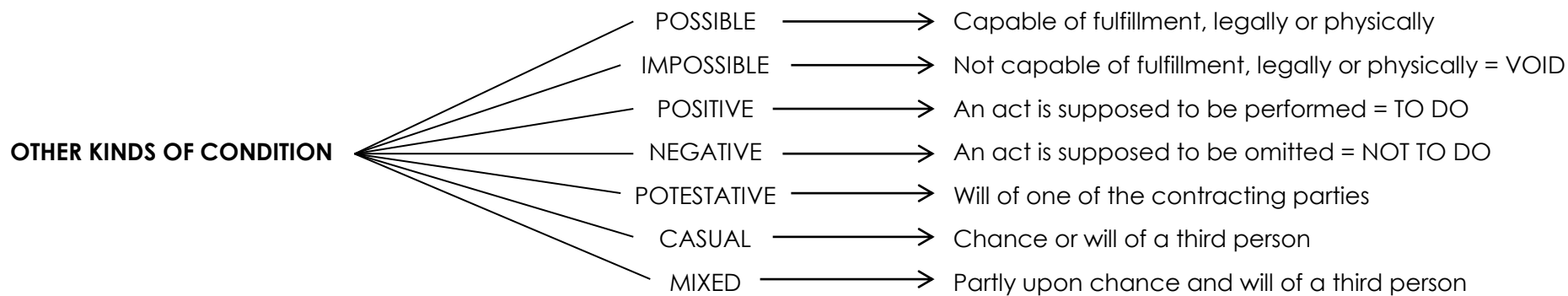
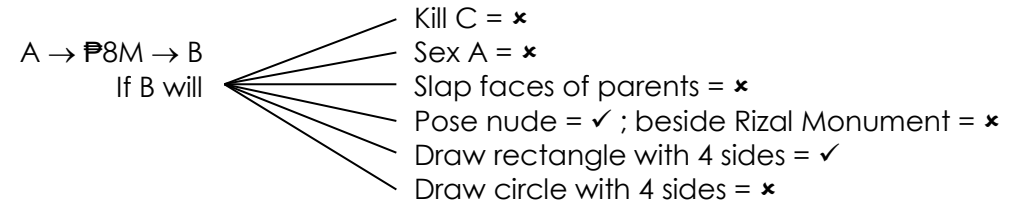
CHARACTERISTICS/REQUISITES OF CONDITION

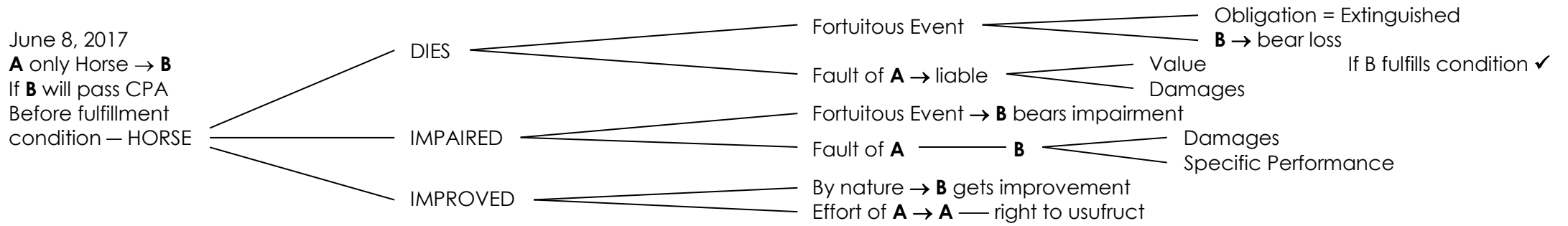
- _____ (1) Future and uncertain
- _____ (2) Past but unknown
- _____ (3) Must not be impossible





- POTESTATIVE
- DEBTOR
- Suspensive = VOID
 - Resolutive = VALID
- CREDITOR
- Suspensive = VALID
 - Resolutive = VALID

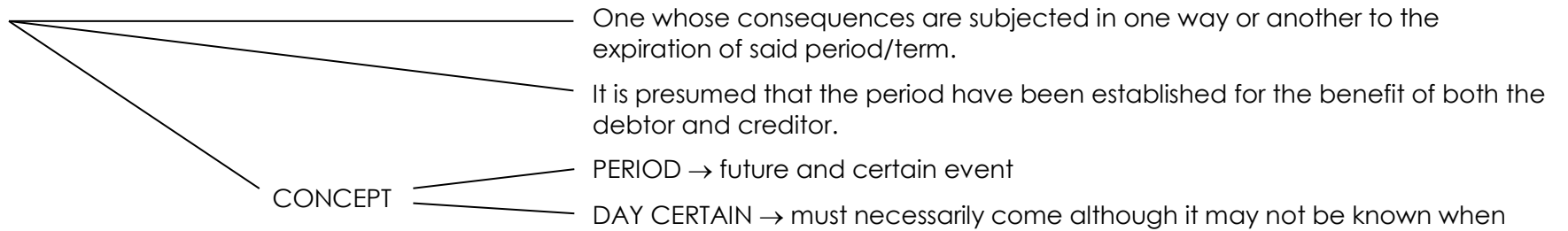




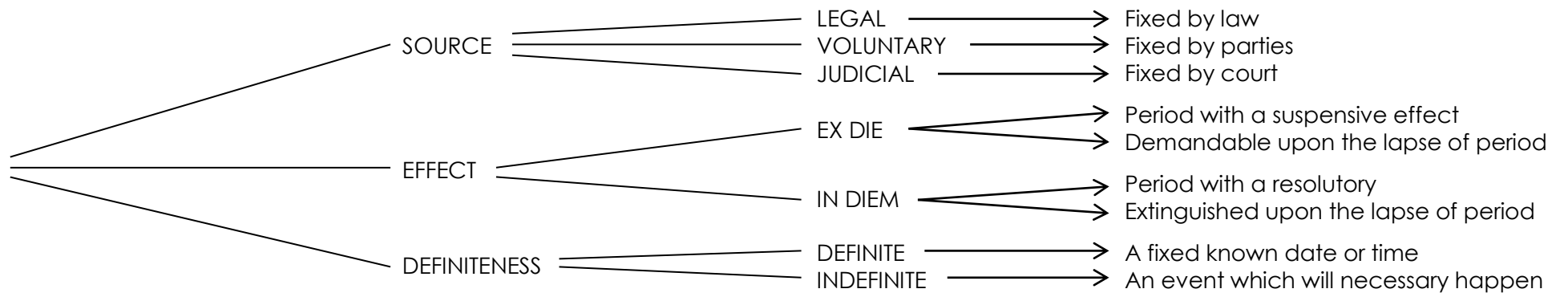
June 9 — **B** sells horse — **Y** pays
 June 10 — **A** sells horse — **W** pays
 └─ deliver ─┘
 October 30 — **B** passed
 1st day — October 7

October 6 — **A** — food — drugs — sleep 12 hours
 ate — 9pm
 wake up — 9am — October 7
 9:01am arrived
 fulfilled condition

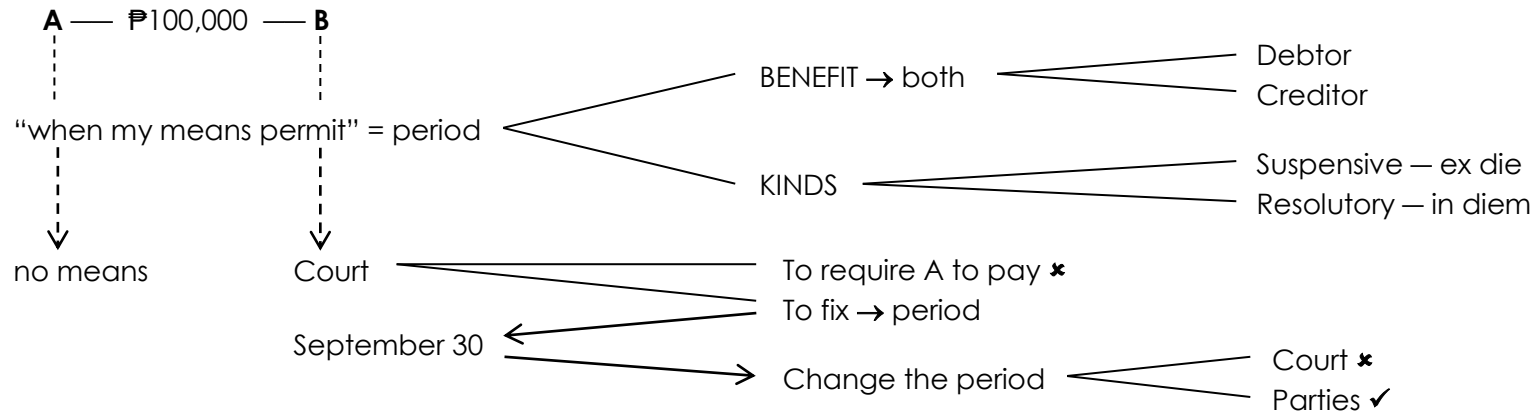
3. OBLIGATION WITH A PERIOD



KINDS OF PERIOD



<u>DISTINGUISHMENT</u>	<u>CONDITION</u>	<u>PERIOD</u>
1. As to FULFILLMENT	May or may not happen	Must necessarily come
2. As to TIME	May refer to the future or to a past event	Always refers to the future
3. As to INFLUENCE on the obligation	Causes to arise or to cease	Merely fixes the time for the efficaciousness of an obligation



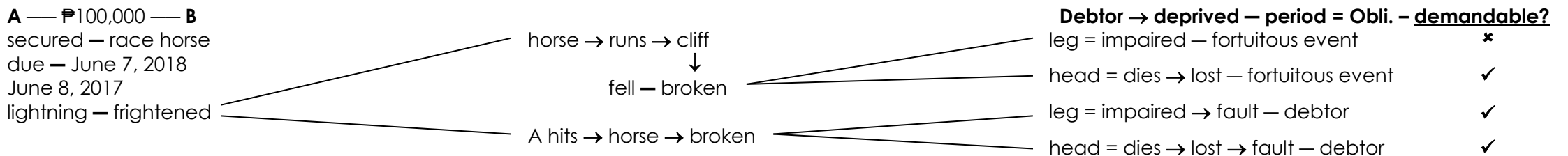
A — 8M — B, if B will marry C

2017	COP	Obli. A — Ext.?
July	B — vow — Priest	* * *
September	B — marries Y	* ✓
October	C dies	✓

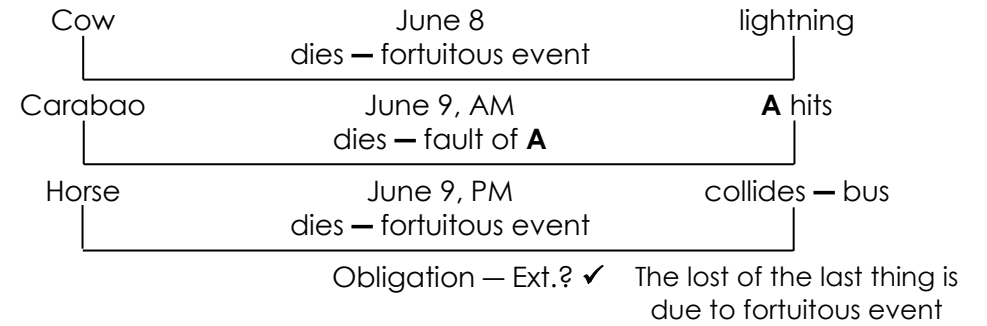
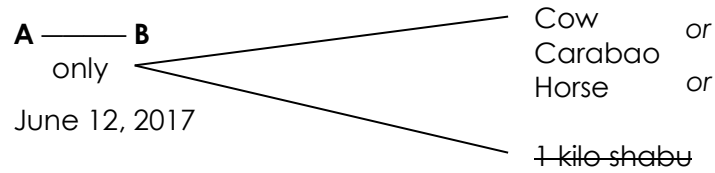
Woman → Widow → remarry → 300 days, unless bears a child
 Man → Widower → can remarry immediately

THE DEBTOR DEPRIVED THE BENEFIT OF PERIOD

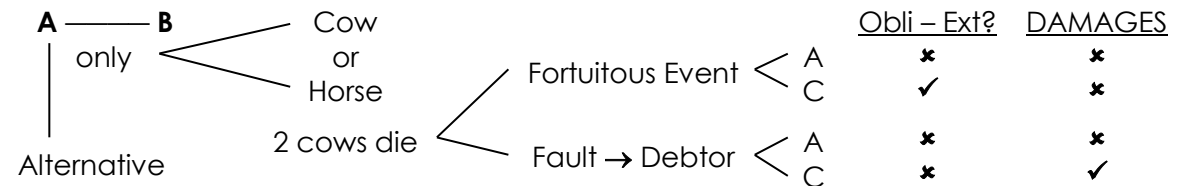
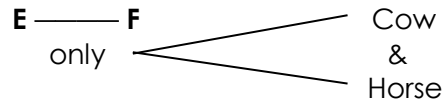
- I → debtor — **insolvent**, except for guaranty
- G → debtor — fails to **give** or furnish — guaranty
- I → debtor — **impaired** the guaranty (fault DR)
- V → debtor — **violates** any undertaking
- A → debtor — attempts to **abscond**



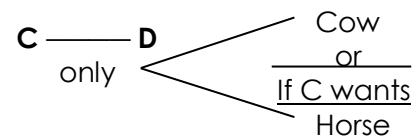
4. ALTERNATIVE — two or more
 fulfillment of one → obligation — ext. ✓



5. CONJUNCTIVE — two or more
 fulfillment of all are necessary



6. FACULTATIVE — One prestation with substitute
 Right of debtor



Two or More

Debtor

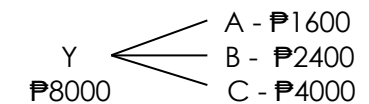
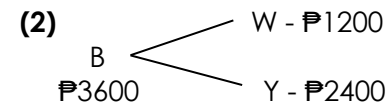
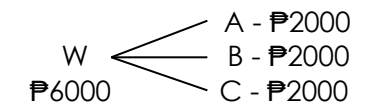
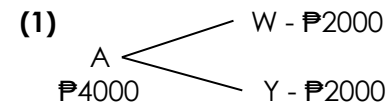
Creditor

7. JOINT — To each his own

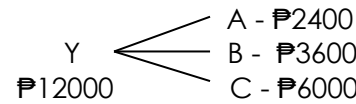
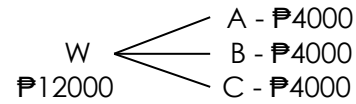
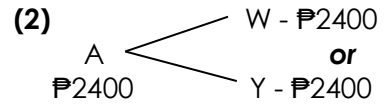
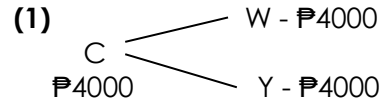
8. SOLIDARY — One for all
 All for one

Number of Debtors	×	Number of Creditors	= No.	Obligation Credits
<u>3</u>		<u>2</u>		
Joint — 3	x	Joint — 2	= 6	
Joint — 3	x	Solidary — 1	= 3	
Solidary — 1	x	Joint — 2	= 2	
Solidary — 1	x	Solidary — 1	= 1	
<u>Debtors, A-B-C</u>	₱12,000	<u>Creditors, W-Y</u>		
(1) Equal		Equal		
(2) 2:3:5		1:2		

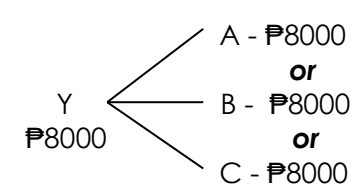
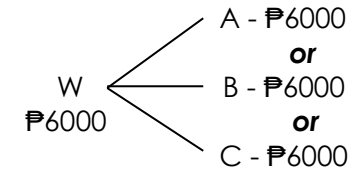
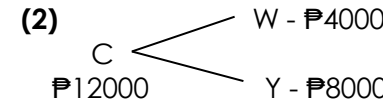
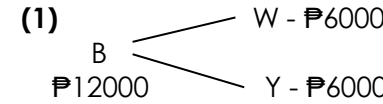
A. Debtors — Joint, Creditors — Joint



B. Debtors – Joint; Creditors – Solidary

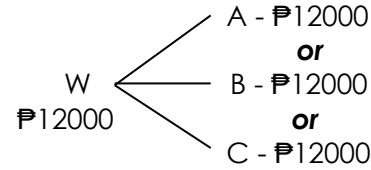
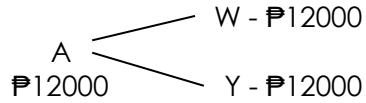


C. Debtors – Solidary; Creditors – Solidary



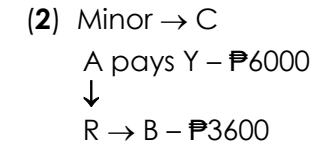
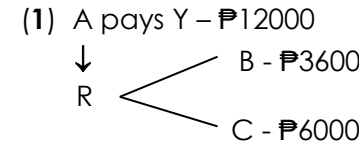
D. Debtors – Solidary; Creditors – Solidary

(1) & (2)

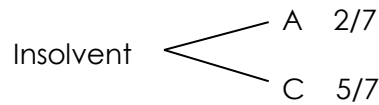
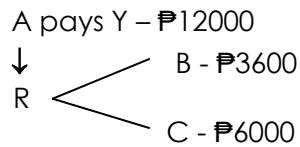


(2:3:5) Debtors – Solidary; (1:2) Creditors – Solidary

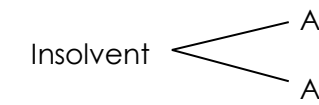
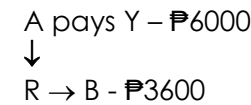
Y demands payment from A



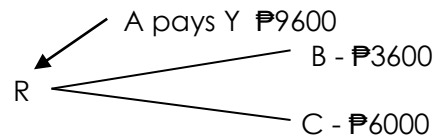
(3) B – Insolvent



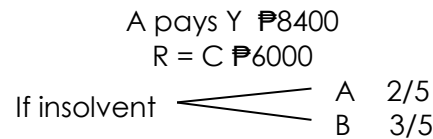
(4) B – Insolvent; C – Minor



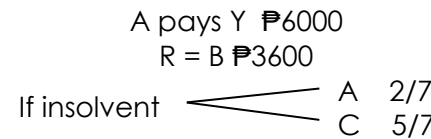
Y condones the obligation of A:



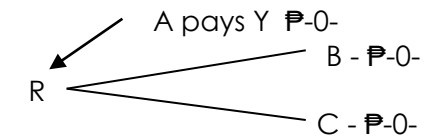
Y condones the obligation of B:



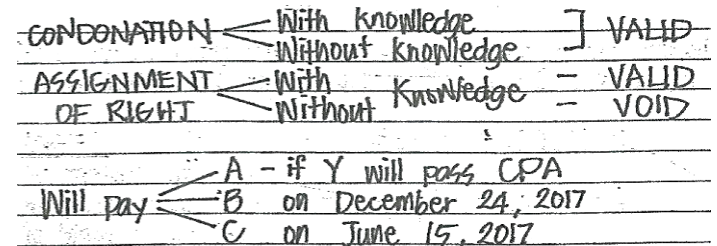
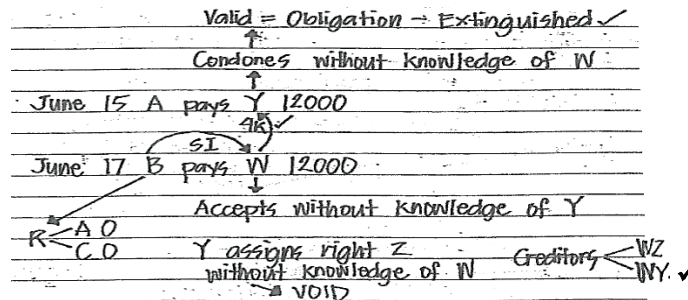
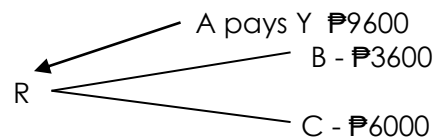
Y condones the obligation of C:

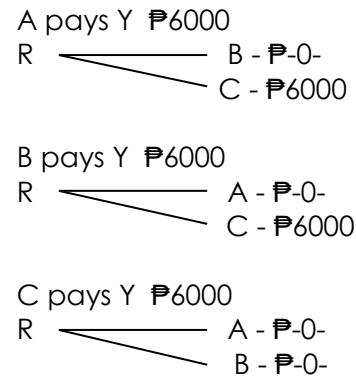
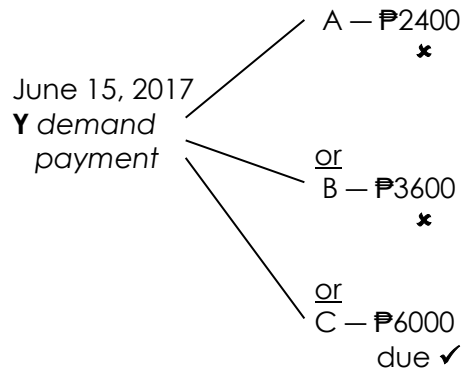


Y condones the obligation of A, B, C:



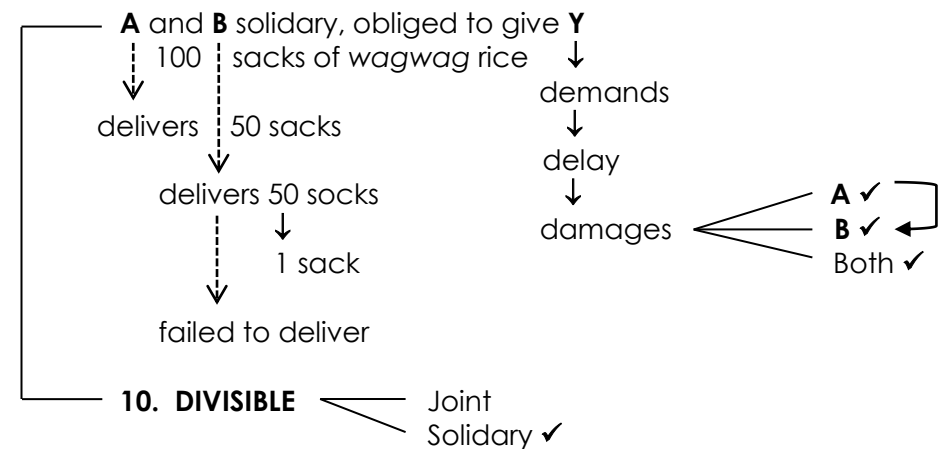
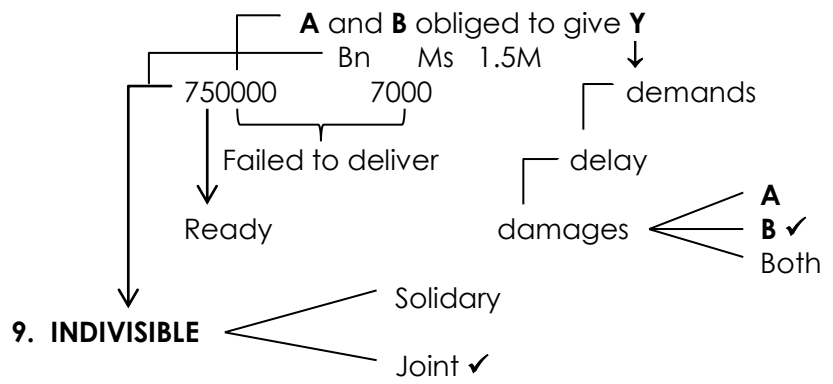
With prescription:



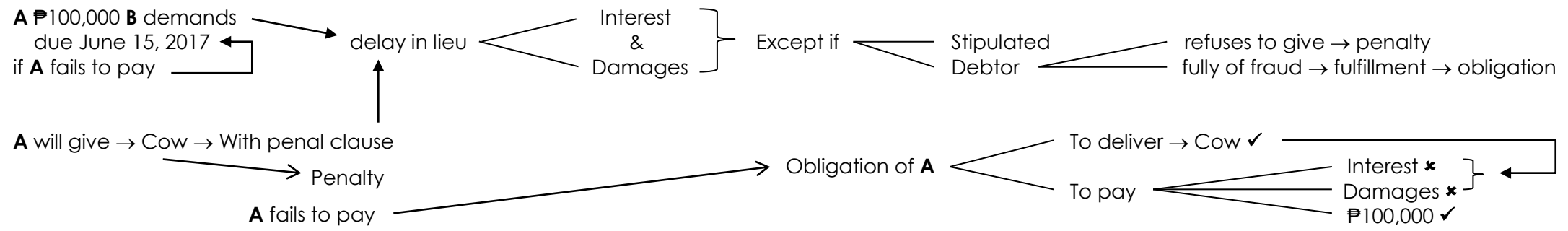


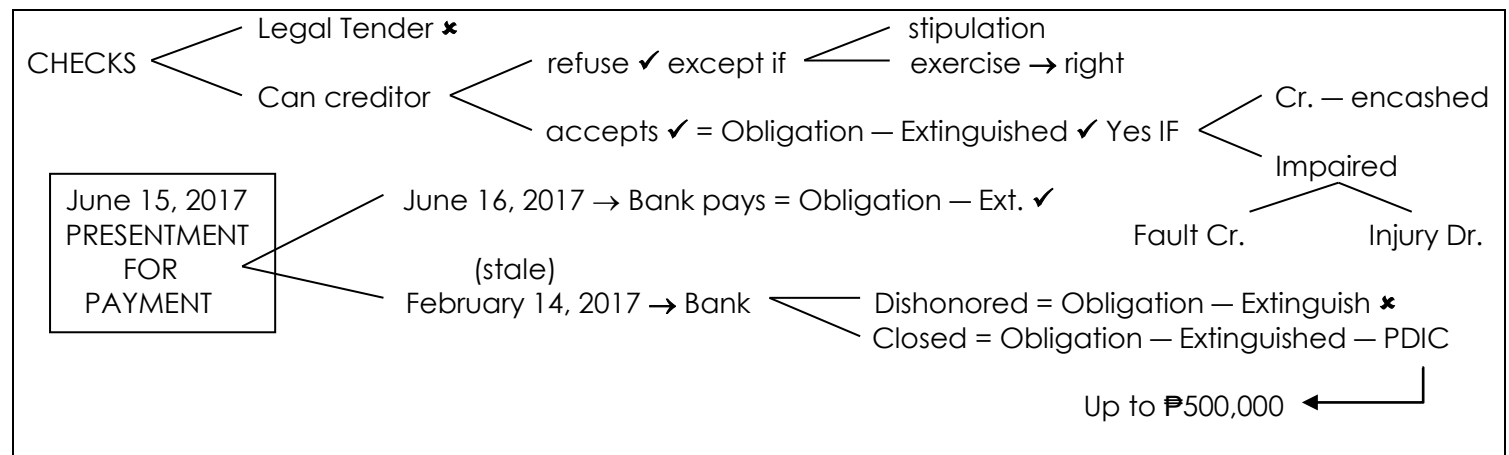
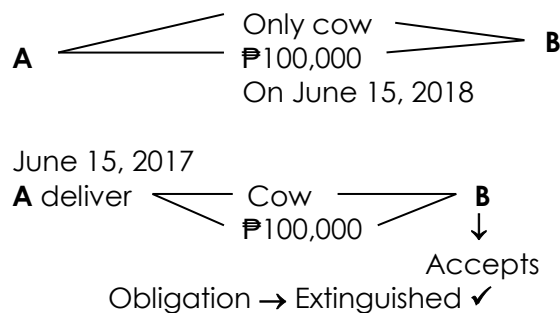
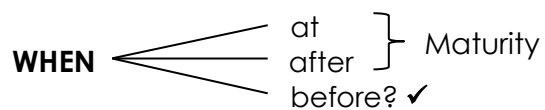
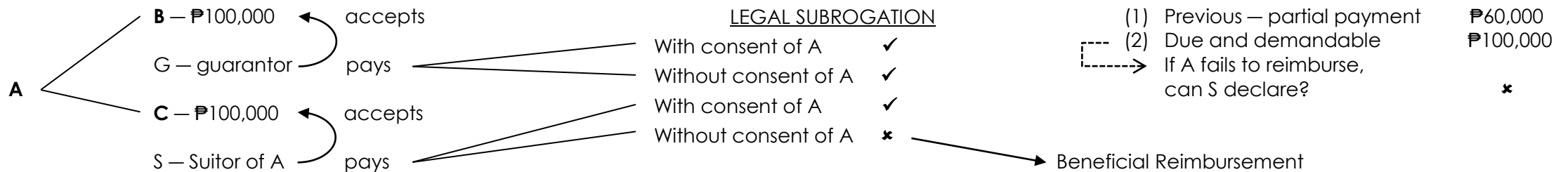
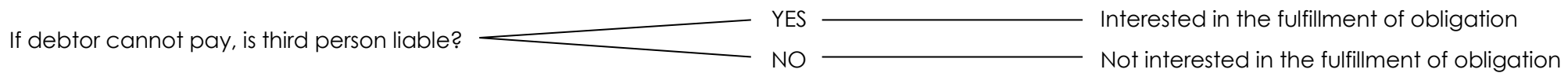
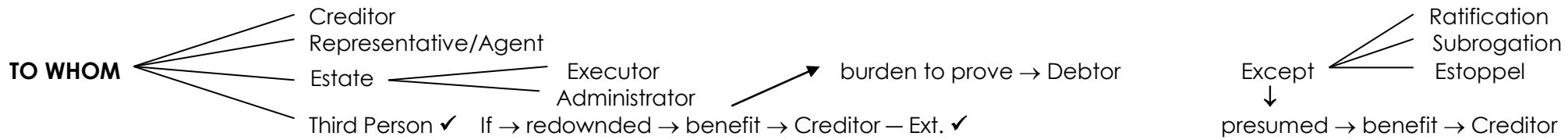
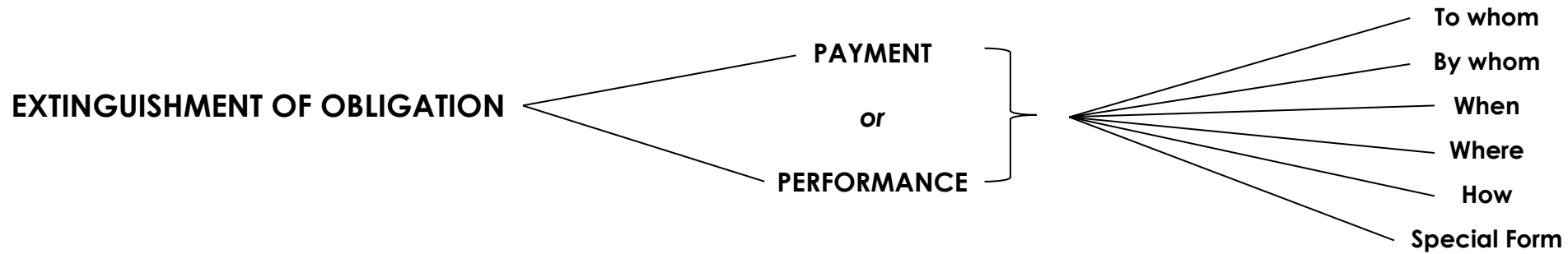
SITUATIONS

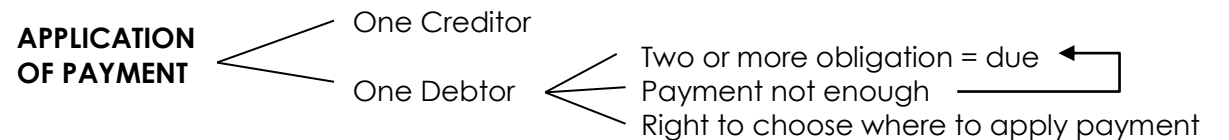
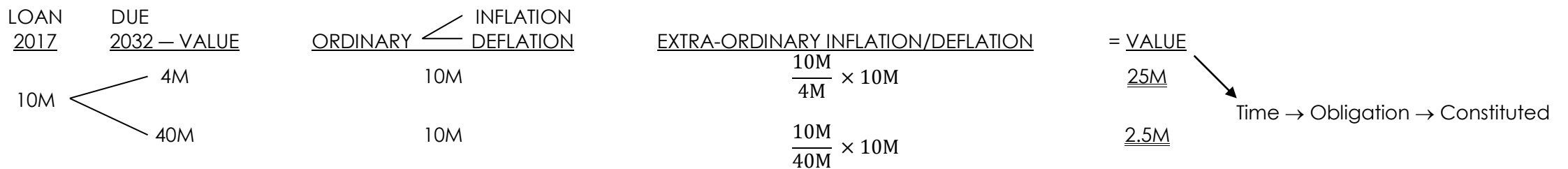
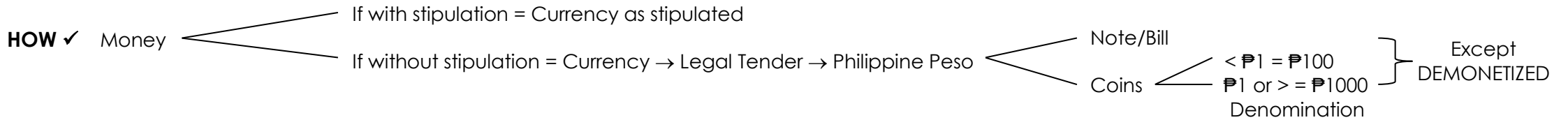
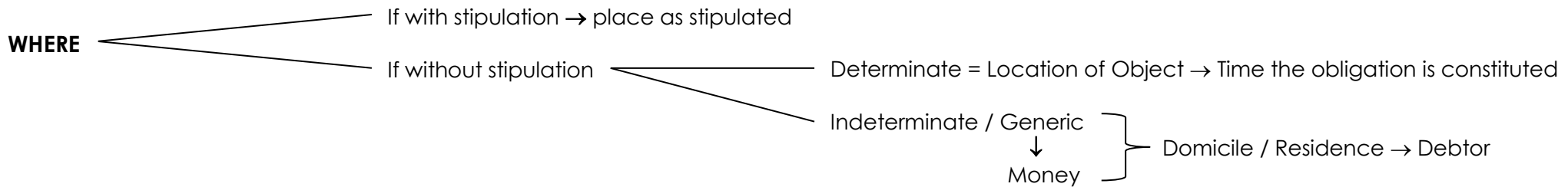
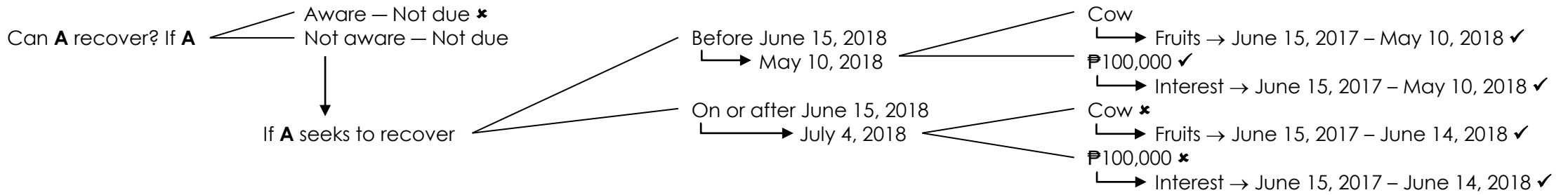
SITUATIONS	(✓)VALID/VOID(*)
1. A P8M B, if B kills C	*
2. D P8M E, if F dies of TB	✓
3. G P8M H or G sex H	✓
4. J sex K or J 8M K	✓
5. L P8M M or if L wants sex M	✓
6. N sex O or if N wants sex O	*
7. P P8M Q and if P fails sex Q	✓
8. R sex S and if R fails P8M S	*



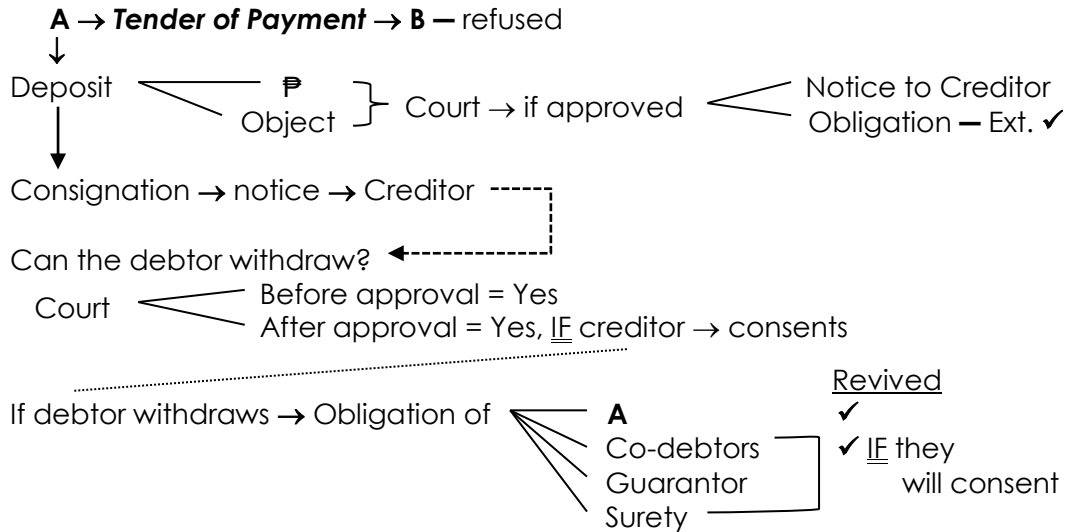
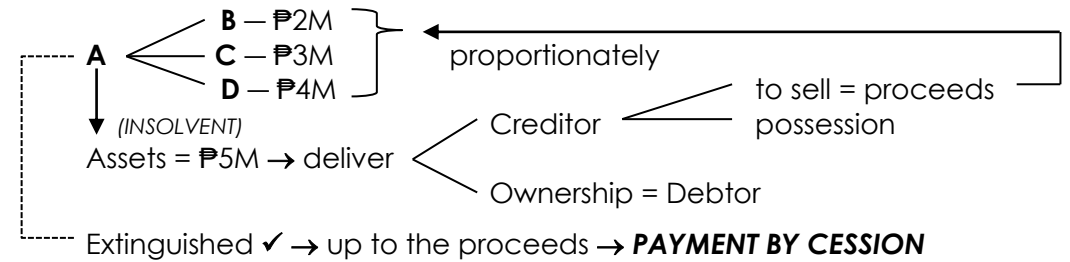
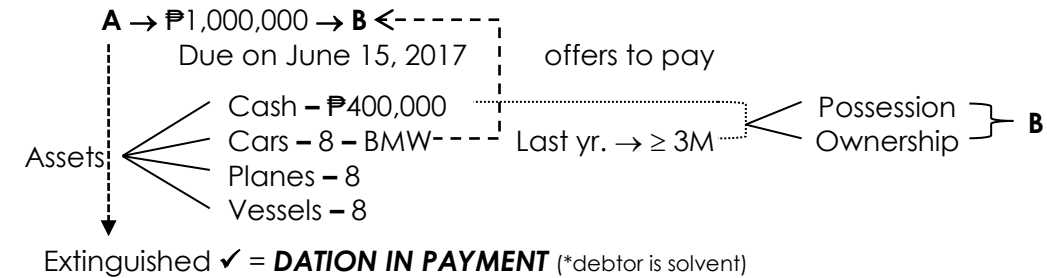
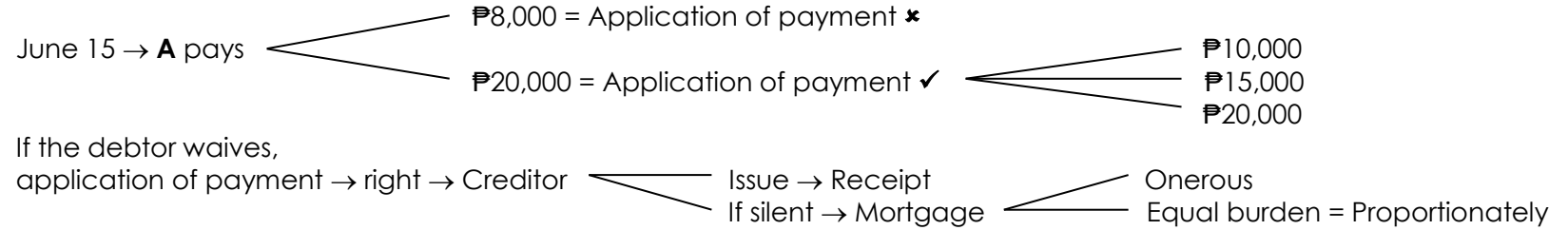
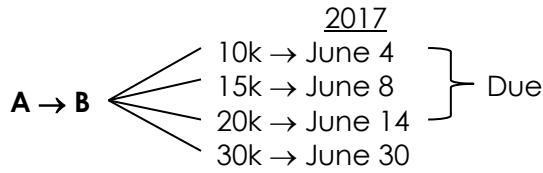
11. OBLIGATION WITH A PENAL CLAUSE







EXAMPLE:

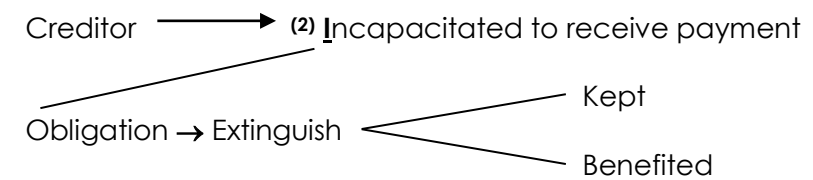


ADDITIONAL REMINDERS:

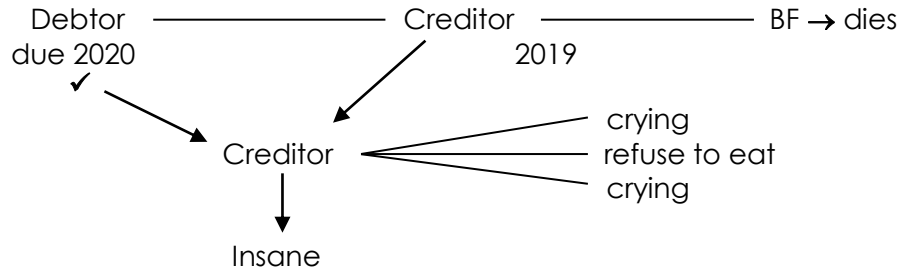
- On mere suspicion, you cannot sacrifice the Bill of Rights
 - *Search Warrant
 - *Warrant of Arrest
- If the act is illegal, anything you get out of an illegal act is illegal
- No need of search warrant / warrant of arrest:
 - About to commit the crime
 - Committing the crime
 - Have just committed the crime
 - Prisoner who escaped from detention

TENDER OF PAYMENT is necessary before consignation, except in **five (5) cases**.
Consignation is allowed even without prior tender of payment = **TIRAT**

- (1) **I**wo or more persons claiming the right
- C Interpleader
 - O Injunction → to restrain
 - U Certiorari → abuse of right
 - R Quo-warrantu → what is your right
 - T Mandamus → to compel performance
- TRO
PRO

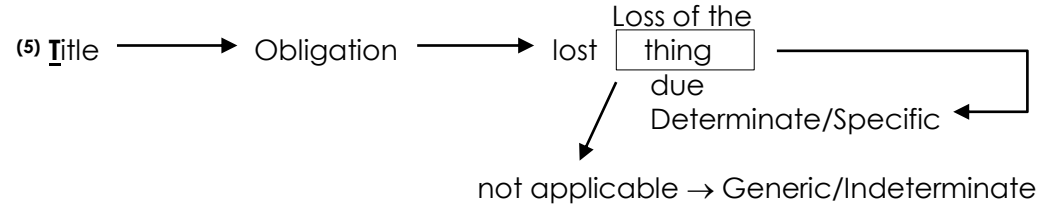


EXAMPLE:
2017



Creditor refuses to issue (3) RECEIPT without just cause.

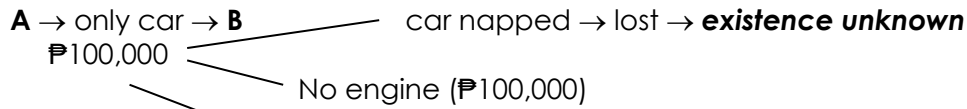
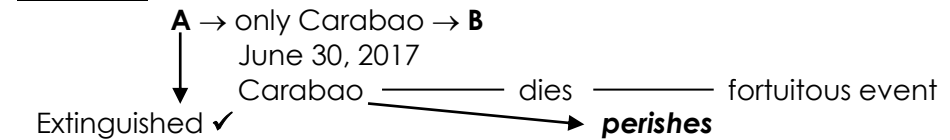
Creditor → (4) ABSENT



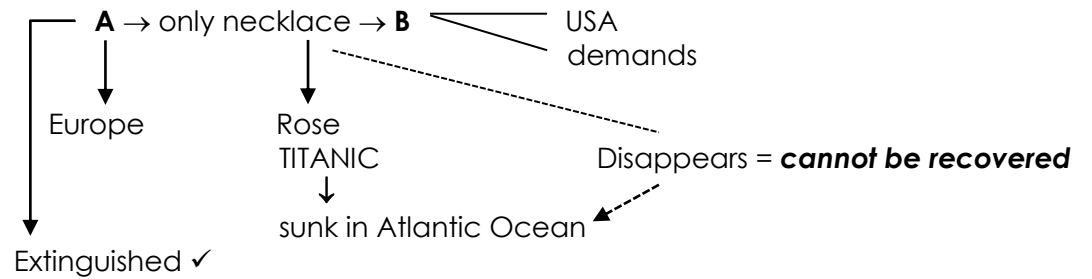
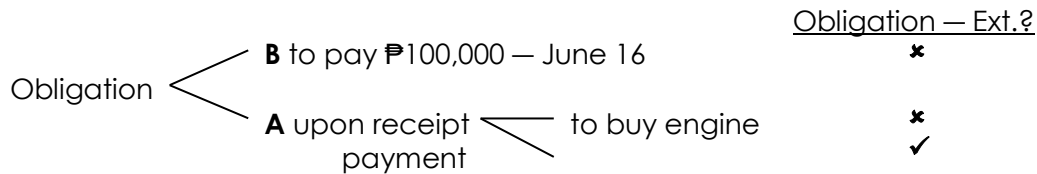
LOSS OF THE THING DUE

- (1) Perishes
- (2) Goes out of commerce
- (3) Disappears
 - Existence unknown
 - Cannot be recovered

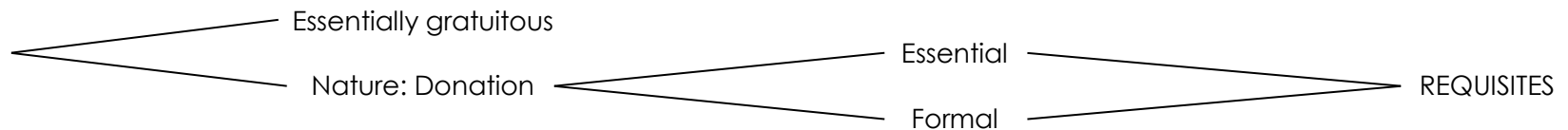
EXAMPLE:



June 15 → A sells 1/2 → B



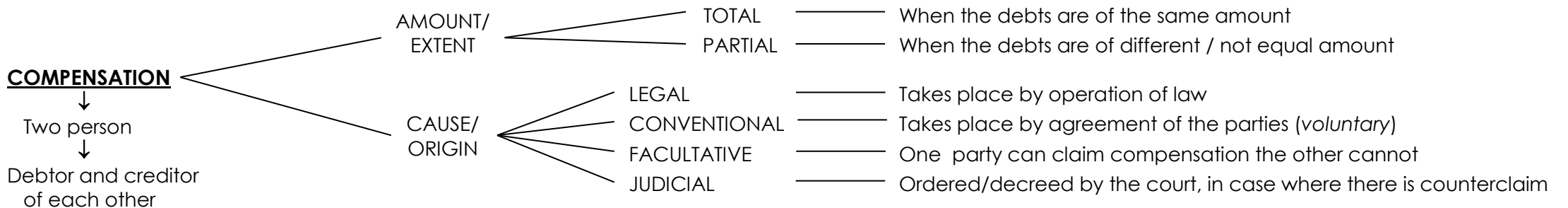
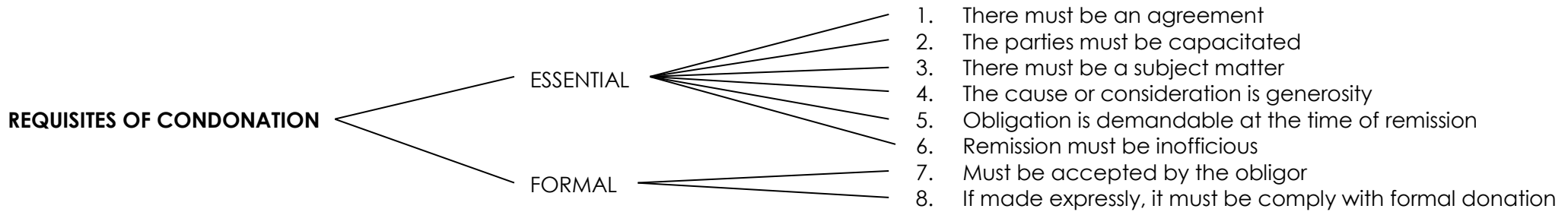
CONDONATION
(Remission)



EXAMPLE:

Husband & Wife:

			<u>Obligation — Extinguished?</u>
FBF Letter	Birthday Greeting	₱8M W — accepts	x
	Condone		
FGF Letter	Condone	₱7M H — accepts	✓
H Letter	Condone	₱7M W — accepts	x
H — cellphone — calls	Condone	₱5k F — accepts	✓
		₱8k G — accepts	x



INSTANCES OF FACULTATIVE COMPENSATION

- Arises from the obligations of a bailee in commodatum
- Arises from a deposit
- Arises because of a claim for support by gratuitous title
- Consists in civil liability arising from a penal offense

REQUISITES OF LEGAL COMPENSATION

- (1) Both the debtor and creditors are principally bound
(EXCEPTION: A guarantor may set up compensation as regards what the creditor may owe the principal debtor)
- (2) Both debts
 - consist in a sum of money
 - the things due are consumable → same quality & same kind
- (3) The two debts be due → Maturity date of both debts must have arrived
- (4) Both debts be liquidated and demandable
- (5) No retention or controversy commenced by third persons and communicated in due time to the debtor

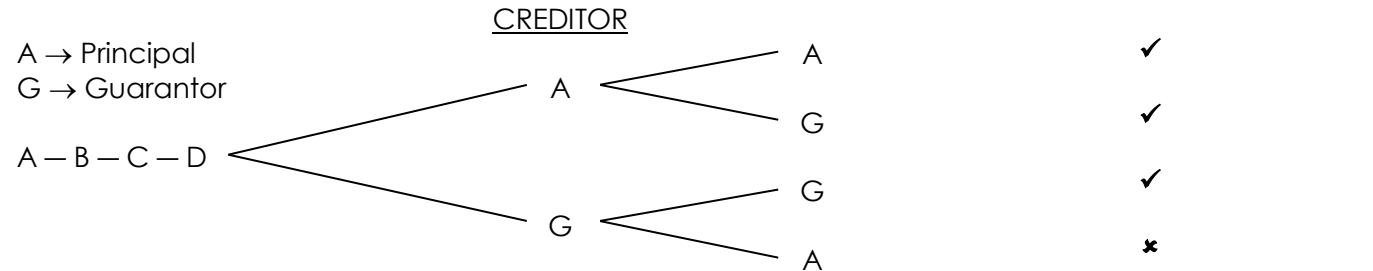
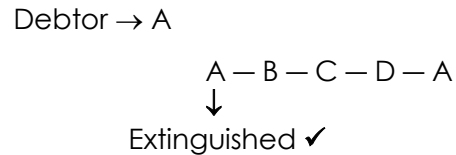
CONFUSION/MERGER

↓
One person
↓
Debtor and creditor of himself

REQUISITES FOR VALID MERGER

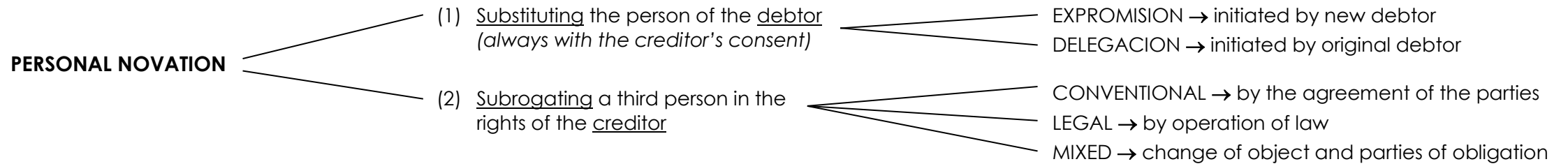
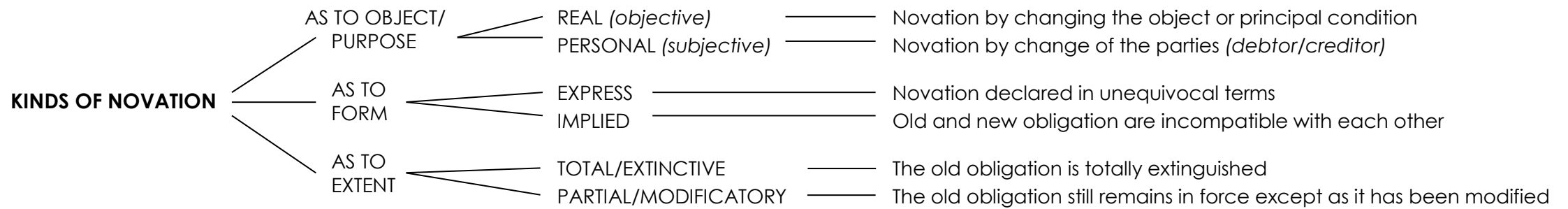
- (1) It must take place between the principal debtor and creditor
- (2) The merger must be clear and definite
- (3) Obligations are the same or identical

EXAMPLE:



NOVATION

→ modification or extinguishment of an obligation by another.



PRESUMPTION OF LEGAL SUBROGATION:

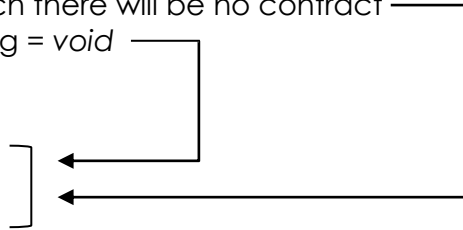
- (1) When a creditor pays another creditor who is preferred, even without the debtor's knowledge.
- (2) When a third person, not interested in the obligation pays with the express/tacit approval of debtor.
- (3) When, even without the knowledge of the debtor, a person interested in the fulfillment of the obligation pays, without prejudice to the effects of confusion as to the latter's share.

RFBT: Law on Contract

CONTRACT

- ⇒ Meeting of minds
- ⇒ Two person
- ⇒ One bind himself
- ⇒ To give something / to render some services

ESSENTIAL ELEMENTS

- ⇒ Without which there will be no contract
 - ⇒ One is missing = void
 - ⇒ perfection
 - ⇒ COC:
 - (1) Consent
 - (2) Object
 - (3) Cause
- 

NATURAL ELEMENT

- ⇒ Found in certain contracts
- ⇒ Already included
- ⇒ Examples: (1) *Warranty against eviction*
(2) *Warranty against hidden defects*

STAGES OF A CONTRACT

- (1) Preparation
 - negotiations are in progress
- (2) Perfection/Birth
 - meeting of minds
 - meeting of offer and acceptance
- (3) Performance/Death
 - execution
 - consummation
 - termination

ACCIDENTAL ELEMENTS

- ⇒ Particular stipulations of the parties
- ⇒ Incident
- ⇒ Examples: *terms of payment, interest rate, place of payment*

CLASSIFICATION OF CONTRACTS

(1) According to **PERFECTION/FORMATION**

(a) CONSENSUAL

- COC
- Perfected by mere consent
- Examples: *Sale, Lease*

(b) REAL

- COC + Delivery
- Perfected by delivery of the object of the contract
- Examples: *Depositum, Pledge, Commodatum*

(c) FORMAL/SOLEMN

- COC + Public Instrument
- Must be in the form proved by law
- Example: *Donation of an immovable*

(2) According to **DEGREE OF DEPENDENCE**

(a) PREPARATORY

- Means by which other contracts may be entered into
- Examples: *Agency, Partnership*

(b) PRINCIPAL

- Can stand by itself
- Examples: *Sale, Loan*

(c) ACCESSORY

- Depends upon another contract
- Examples: *Pledge, Mortgage*

(3) According to the **PARTIES OBLIGATED**

(a) UNILATERAL

- One of the parties obligated
- Examples: *Commodatum, Gratuitous Deposit*

(b) BILATERAL (or reciprocal)

- Both parties are obligated
- Examples: *Sale, Barter*

(4) According to **CAUSE**

(a) ONEROUS

- There is an exchange of valuable consideration
- Examples: *Sale, Barter, Lease*

(b) GRATUITOUS

- No equivalent consideration
- Examples: *Donation, Commodatum, Remission*

(c) REMUNERATORY

- Service or benefit remunerated

(5) According to **NAME/DESIGNATION**

(a) NOMINATE

- Name under the law
- Examples: *Sale, Loan, Barter*

(b) INNOMINATE

- Without any name under the law
- Different kinds:
 - *Do ut des* = "I give that you may give"
 - *Do ut facias* = "I give that you may do"
 - *Facio ut des* = "I do that you may give"
 - *Facio ut facias* = "I do that you may do"

CHARACTERISTICS OF CONTRACT

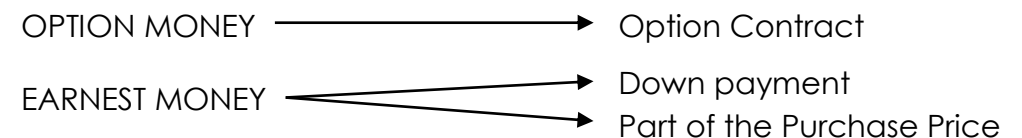
- Mutuality → bind both contracting parties
- Autonomy → liberty/freedom to stipulate
- Consensuality → perfected by mere consent
- Relativity → take effect only between the parties, their assigns and heirs, except where the rights and obligations are not transmissible by law, stipulations, or nature
- Obligatoriness → obligatory force of contract and compliance in good faith

CONSENT

- ⇒ Manifestation of the meeting of the offer and acceptance upon the thing and the cause.

RULES ON OFFER

- (1) The offer must be certain.
- (2) An offer becomes ineffective upon **death, insolvency, civil interdiction, and insanity. (DICI)**
- (3) When the offerer has allowed the offeree a certain period to accept, the offer may be withdrawn at any time before acceptance by communicating such withdrawal, except when the option is founded upon a consideration as something paid or promised.

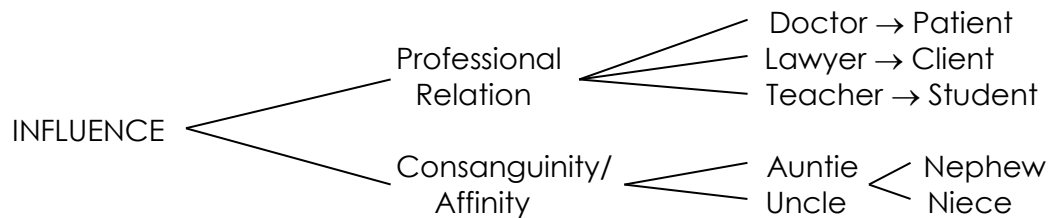


(b) Mere exaggeration in trade
 ↙ if given → opportunity to know
 ↘ dealer's talk

(c) Mere expression of opinion → EXCEPT: Expert

(5) UNDUE INFLUENCE

- When a person takes improper advantage of his power over the will of another
- Depriving the latter of reasonable freedom of choice



***NOTE:**

1. REFORMATION → correction of the contract
2. RATIFICATION → cleanses the defect
3. A threat to enforce one's claim through competent authority, if the claim is just and legal does not vitiate consent.
4. In determining the degree of intimidation, the sex, age and condition of the person intimidating and intimidated should be taken into consideration.
5. Violence or intimidation shall annul the obligation although it may have been employed by a third person who did not take part in the contract.
6. When fraud exists = *DOLO CAUSANTE*

SIMULATION (*Simulated Contract*)

- ⇒ The parties do not really want the contract they have executed to produce the legal effects expressed by its wordings.
- ⇒ Vices of declaration.

KINDS OF SIMULATION

(1) ABSOLUTE

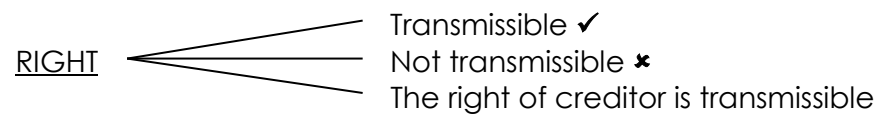
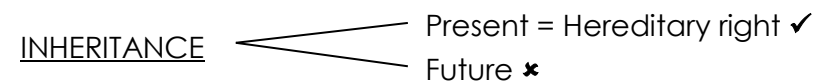
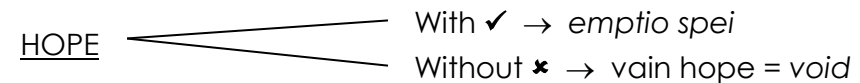
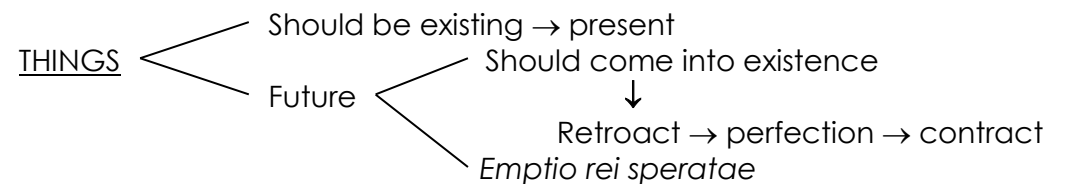
→ The parties do not intend to be bound, void from the beginning.

(2) RELATIVE

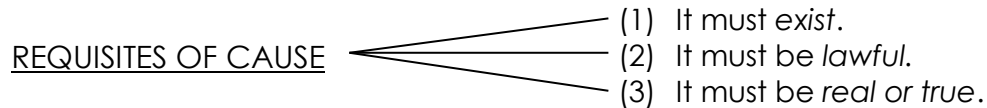
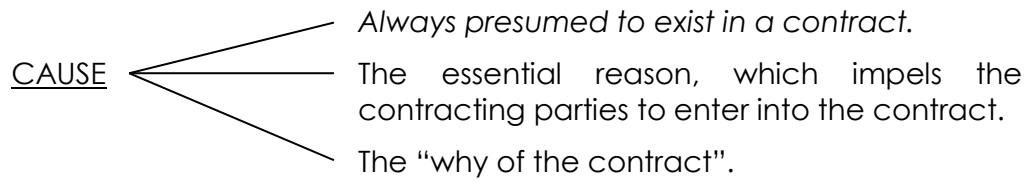
→ Parties conceal their true agreement, yet they are bound.

OBJECTS OF CONTRACTS

- (1) Within the commerce of men
- (2) Transmissible
- (3) LICIT → *not contrary to law, good customs, public order or public policy*
- (4) Not be impossible = Possible
- (5) Determinate as to its kind or without the need of new contract

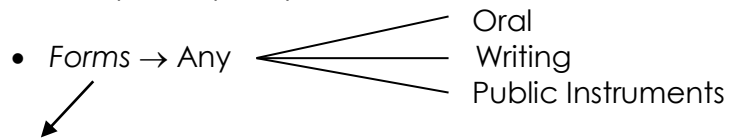


CAUSE OF CONTRACTS



CAUSE

- Inadequacy of cause = LESION → Mistake, Fraud, Undue Influence
- Fictitious/Simulated
 - Absolute → void
 - Relative → give effort true agreement
- False → stated but not true ✖
- Want of cause → total lack or absence of consideration
- Illegal cause → contrary to law, moral, good custom, public order, and public policy



EXCEPT, if forms required:

(1) VALIDITY – Failure = Void → Example

- Donation – ₱5,000 ↑
- Agent – authority

(2) ENFORCEABILITY – Failure = Unenforceable

- Valid
- Without effect, unless written

(3) CONVENIENCE – Failure

- Valid
- Enforceable = inconvenience

INTERPRETATION OF CONTRACTS

- ⇒ The determination of the meaning of the terms or words used by the parties in their contract
- ⇒ To give effect to the true intention

⇒ **RULES:**

(1) WORDS

(a) Provision

- Printed
- Writing ✓ → later intention

(b) Two or more

- "I" → solidary
- "We" → joint

(c) Conflict

- Amount
 - Words ←
 - Figures (if ambiguous)
 - Other documents available, if absent

- Intention

(d) Clear and unambiguous → literal meaning

(e) Conflict

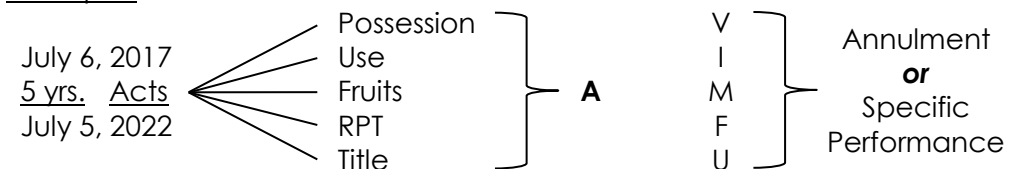
- Words
- Intention ✓ → shall prevail

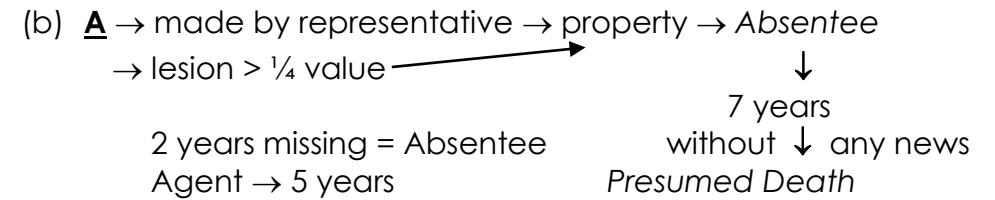
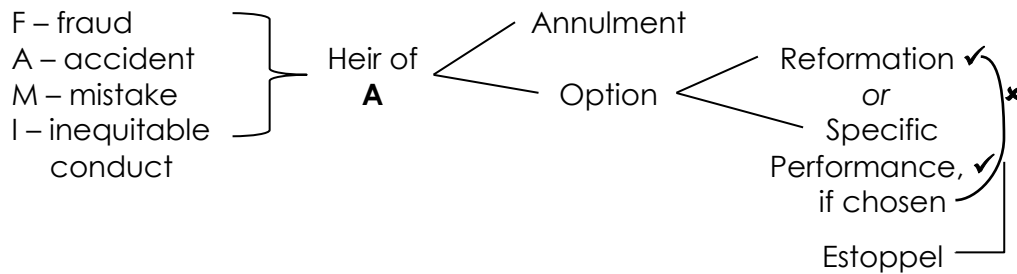
(2) ACTS

- Contemporaneous
 - Subsequent
- } shall be taken into consideration

(3) CUSTOMS and USAGE shall be borne in mind.

Example:





REFORMATION IS NOT ALLOWED

- (1) Will → except by testator
- (2) Simple *donation inter vivos*, if no condition imposed
- (3) Real agreement → void

PRESUMPTIVE DEATH (Old-4years; New-3 years = Missing):

1. He boarded an airplane then the latter is missing.
 2. He boarded a vessel then the latter is missing.
 3. He was sent to war then he was missing in action.
 4. He was lost and he was endanger of death
- Go to court → File a declaration of presumptive death

DEFECTIVE CONTRACTS

(1) RESCISSIBLE

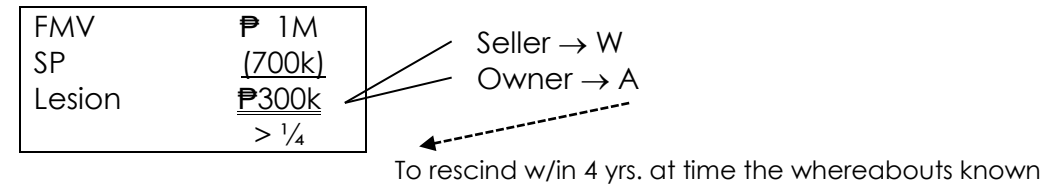
- ⇒ Valid until rescinded
- ⇒ Least defect among the others
- ⇒ Defect = *Lesion/Damage*
- ⇒ Parties → creditor → return what they received

The following are rescissible contracts: (GACTS)

- (a) **G** → made by *guardians* → property → ward
→ lesion > 1/4 value →

EXAMPLE:

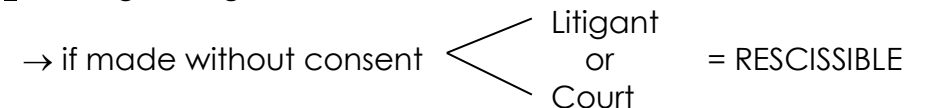
A → missing = Absentee
W → wife → representative of A



- (c) **C** → undertaken to defraud the *creditors*
→ deprive the right to enforce claim → *accion pauliana*

NOTE: Rescission will not take place if the object of the contract is in the possession of a third person who acted in good faith.

- (d) **I** → *things* in litigation



- (e) **S** → *specially* declared by law to be subject to rescission

EXAMPLE:

G – guardian
M – ward → incapacitated → minor → 16 years old


FMV	₱ 1M	OWNER	SELLER	= RESCISSIBLE?
SP	(700k)	G	G	x
Lesion	₱300k > 1/4	M	M	x
		G	M	x
		M	G	✓

To rescind within 4 yrs. at the time the incapacity ceases → 18 y/o

RESCISSION

- The right to rescind in case of deterioration of the thing to be delivered. (ARTICLE 1189)
- The right to rescind given to an unpaid seller. (ARTICLE 1526)
- The right to rescind given to a vendee in sale of real property per unit measure or lump sum price.

(2) VOIDABLE

- ⇒ Valid until annulled.
- ⇒ Defects  of one to the parties
- ⇒ Annulable unless ratified

The following are *voidable* or *annulable* contracts:

- (a) One of the contracting parties is incapable of giving consent. To annul within four (4) years from the time the incapacity ceases.
- (b) The consent is vitiated by:
 - VIMFU → to annul → within 4 years → VIMFU ceases
 - F&M → to annul → within 4 years → F&M discovered → except, *marriage* → 5 years

(3) UNENFORCEABLE

- ⇒ Cannot be enforced unless ratified
- ⇒ Defect = without effect
- ⇒ “Validable” contract

The following are unenforceable contracts:

- (a) Both parties are incapable of giving consent.
- (b) Contracts made without authority or in excess of such authority. (*Unauthorized Contract*)
- (c) Do not comply with the Statute of Fraud.

STATUTE OF FRAUD

- A law which required that certain contracts must be in writing otherwise unenforceable
- Not applicable → *executed* = has been performed
- Applicable → *executory* = has not yet been performed

Contracts covered by Statute of Fraud (SALSAR):

- (a) **S** — A *special promise* to answer for the debt, default, or miscarriage of another.

*NOTE: If there is guaranty or surety, put them in writing.

- (b) **A** — An *agreement* by its terms is not to be performed within a year from the making thereof.

*NOTE: From the time of commencement.

- (c) **L** — *Leasing* for a longer period than one year of sale of real property or an interest therein.

INSTANCES COVERED:

- Lease → 1 yr. or less → real/personal → oral – enforceable
- Lease → > 1 year → immovable → writing – enforceable
- Sale → immovable → irrespective of price → writing – enforceable

- (d) **S** — *Sale* of good, chattel, or things in action at a price of ₱500 or more.

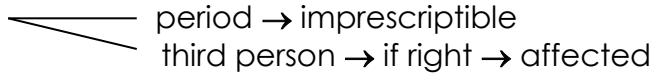
- (e) **A** — an *agreement* made in consideration of marriage other than mutual promise to marry. This must be in writing otherwise unenforceable.

EXCEPTION:

- A mutual promise to marry between the parties is an enforceable even if orally entered into.
- One of the parties do not comply, the injured party cannot comply the other party. His only right is to ask for damages because of the breach promise.

- (f) **R** — A *representation* as to the credit of a third person.

(4) **VOID** (or *Inexistent*)

- ⇒ Most defective
- ⇒ No force and without effect
- ⇒ Inexistent from the beginning
- ⇒ MAXIM: "No contract at all"
- ⇒ Cannot be validated either by time or ratification
- * ⇒ To question 

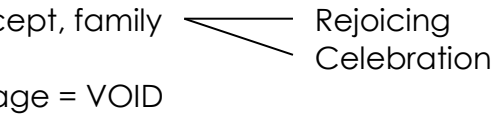

The following are some *characteristics* of a void contract:

- (a) A void contract cannot be ratify.
- (b) The defense of illegality cannot be waived.
- (c) The action or defense for the declaration of the inexistence of a contract does not prescribe.
- (d) The defense of illegality of contacts is not available to third persons whose interests are not directly affected.
- (e) A contract is void / inexistent if it is the direct result of a previous illegal contract.

The following contracts are void from the very beginning (*O³/CAD*):

- (a) **O**bject, cause or purpose is illicit.
(Illicit → contrary to law, morals, good customs, public order or public policy)
- (b) **O**bject is outside the commerce of men.
- (c) **O**bject or cause did not exist at the time of the transaction.
- (d) **I**ntention of the parties relative to the principal object of the contract cannot be ascertained.
- (e) **C**ontemplate an impossible service.
- (f) **A**bsolutely simulated or fictitious.
- (g) **D**eclared void by law.

In marriage,

- Bigamous or Polygamous = VOID
- Direct ascendants/descendants = VOID
- Collateral → within fourth degree of consanguinity = VOID
- Parent and surviving spouse of his child = VOID
- *Civil Code*: Step brothers/sisters = VOID
- Amendment – *Family Code*: Step brothers/sisters = VALID
- Donation → H & W = VOID except, family 
- Sale → H & W = VOID except 

Separation of Property

Example: *Pre-nuptial Agreement*

Juridical Separation

Example: *Legally separated by court* → separation in bed & board

*ADDITIONAL NOTE:

- Rescission → remedy allowed by law to repair damages cause by a contract.
- Annulment → action brought to set aside a voidable contract.

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Reviewer

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