

102 Phil. 907

[G. R. No. L-11093. January 27, 1958]

LEONARDO ENAGE LABAJO, ET AL., PLAINTIFFS AND APPELLANTS VS. CIRIACO ENRIQUEZ, DEFENDANT AND APPELLANT.

D E C I S I O N

MONTEMAYOR, J.:

Both parties, plaintiffs and defendant, are appealing from the judgment of the Court of First Instance of Leyte, dismissing the complaint of plaintiffs and the counterclaim of defendant.

On February 16, 1954, plaintiffs commenced the present action in the Leyte court, alleging that they were co-owners of Lot No. 676 of the Tacloban cadastre, covered by Original Certificate of Title No. 10552; that in May, 1945, up to June, 1950, inclusive, due to their absence from Tacloban, Leyte, they had neglected or abandoned the said lot and that defendant Ciriaco Enriquez, without their knowledge and consent, voluntarily administered the said lot by leasing the same to several tenants and collecting during the aforesaid period, rentals thereon amounting to P2,552, thereby unjustly enriching himself in the said sum; that they, plaintiffs, have made repeated demands on Enriquez for reimbursement of the said amount, but that he had refused to comply with their demand, and so they asked the court for judgment on the said amount, plus P200 as damages.

Defendant Enriquez answering the complaint, alleged that the lot in question had been abandoned by the plaintiffs not since May, 1945, but since the year 1932, and that when he (Enriquez) bought lot No. 2059 of the Tacloban cadastre, contiguous and adjacent to said Lot No. 676, he thought that the latter was included in the parcel he had bought, and so in good faith, he had occupied and rented it to tenants together with his parcel, but that the rentals received by him did not reach the sum of P2,552 claimed by the plaintiffs; that furthermore, during the said period, he had been paying the real estate taxes on the said lot in question; and that under the provisions of Articles 526, 527, 528, and 544 of the New Civil Code, he should be considered as a possessor in good faith and entitled to the fruits

received by him. By way of counter-claim, he alleged that in connection with the demand of plaintiffs for reimbursement, which he had refused, they had filed fabricated charges of estafa against him in the Municipal Court of the City of Tacloban on September 16, 1953, and that on October 30 of the same year, the Municipal Court dismissed the charges on the ground that there was no crime of estafa committed, and that the case involved was more of a civil nature; that as a result of the filing of the false charges, he suffered humiliation, embarrassment and mental anguish, thereby causing him damages in the amount of P5,000, and compelling him to employ the services of counsel in the amount of P500; and finally, he asked the court to render judgment on the pleadings.

The plaintiffs answering the counterclaim, admit having filed the criminal charges against the defendant and the dismissal of the same, but that they disagreed with the order of the Municipal Court and intended to revive the same criminal case in the Court of First Instance of Leyte; and that as regards defendant's petition for judgment on the pleadings, they had no objections, provided the defendant in his prayer for judgment "is understood to admit all the material and relevant allegations of the plaintiffs' complaint", including the allegations that the defendant had unjustly enriched himself in the amount of P2,552; and that because of his refusal to pay said amount they were compelled to bring the present action, incurring damages in the amount of P200 as attorney's fees.

Acting upon the motion for judgment of the pleadings, the trial court rendered judgment, and applying the articles of the Civil Code aforementioned, it dismissed the complaint as well as the counterclaim. Plaintiffs in their notice of appeal stated that they were appealing the judgment to the "Supreme Court on pure question of law". The appeal, however, was first taken to the Court of Appeals, which tribunal later certified the appeal to us on the ground that it involved only question of law.

Plaintiffs in their appeal brief, claim that the trial court erred in rendering judgment on the pleadings. However, as already stated, they informed the court that they had no objection to the petition of the defendant for judgment on the pleadings, although they imposed the condition that defendant admit that he had received the amount of their demand from the rentals on the property in question, and that he refused to pay the same to them.

We believe that the trial court was fully justified in dismissing the complaint. Under the law (the Old as well as the New Civil Code), a person occupying the property of another is deemed to be a possessor in good faith, and that he who alleges bad faith on the part of the possessor has the burden of proof. In the present case, the defendant claimed good faith,

alleging that the lot in question was adjacent to his, and that he believed in good faith that it formed part of it. This claim was not disproved by the plaintiffs, neither did they submit evidence to show bad faith on the part of the defendant. As a possessor in good faith, the defendant was entitled to the fruits received by him until June, 1950, when he was advised by the plaintiff that the lot belonged to them.

As regards the dismissal of the counterclaim, the defendant equally failed to prove that the plaintiffs acted in bad faith and with ulterior motives in filing the criminal charges against him. It may be presumed that they believed in good faith that his refusal to reimburse the rentals received by him constituted estafa, until they were disabused in said belief by the Municipal Court holding that the responsibility of defendant was civil rather than criminal. Moreover, the defendant had received rentals from the lot of the plaintiffs for so many years, which on the claim of good faith, as a possessor he does not have to reimburse to them, and so it is a matter of justice and equity that he forego his claim for alleged damages contained in his counterclaim.

In view of the foregoing, the judgment appealed from is hereby affirmed. No costs.

Bengzon, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

Paras, C. J., concurs in the result.

PADILLA, J., dissenting:

It appears that the parcel of land acquired by purchase by the defendant and the one adjoining it owned by the plaintiffs are registered under the Land Registration Act (Act No. 496). The fact that the defendant found it unoccupied or abandoned and that he was made to believe that the parcel of land he had acquired by purchase included the adjoining parcel of land owned by and registered in the name of the plaintiffs, does not render him a possessor in good faith. Were this a matter of a few square meters and with a standing wall pointing out the boundary of the parcel of land acquired by the party who claims to be a possessor in good faith of a small adjacent strip of land within the area of an adjoining registered parcel of land belonging to another, good faith of the former might be accepted and believed, as held in *Co Tao vs. Chan Chico*, 46 Off, Gaz. 5514. But one who purchases a

parcel of land registered under the Torrens system must be presumed to know the area and boundaries of the acquired parcel of land. Assuming that he was told that the adjoining parcel of land owned by another, also registered under the same system, was included in the parcel of land he had acquired by purchase, that does not make him a possessor in good faith of the parcel of land belonging to the other. He should have first inquired and verified the information given him, and should not have relied upon it and proceeded to lease it to other parties. Law, equity and justice demand that he turn over the rentals he had collected from the parcel of land which he does not own to the rightful owners, as no one is allowed to unjustly enrich himself at the expense of another. The case should be remanded to the trial court for determination of the amount the defendant had collected and the amount of taxes which he claims he had paid for the parcel of land owned by the plaintiffs, and after determination thereof and offsetting one against the other, to order the defendant to pay the balance to the plaintiffs. Judgment affirmed.

Date created: March 20, 2015