

Title:

****Heirs of Eugenio Sevilla, Inc. v. Court of Appeals and Corazon Babao-Gonzales****

Facts:

The Heirs of Eugenio Sevilla, Inc., owners of a parcel of land with a cinema building named Cinema Gigi in Tondo, Manila, filed an unlawful detainer action against Jesus A. Co, alleging Co failed to pay rent since 1974. Co, declaring himself the owner via a deed of sale from the petitioner, rented the theater to Corazon Babao-Gonzales. During the case's pendency, Co filed a separate action to quiet possession, ownership, and title against the petitioner.

The City Court favored the petitioner, ruling the alleged deed of sale a forgery, and re-enforcing the petitioner's ownership. The decision became final after Co failed to appeal, leading to an executory writ. When enforcing the writ, Babao-Gonzales forcibly re-entered the theater, provoking the petitioner to seek relief. The initial restraining order against the petitioner was lifted, but Babao-Gonzales succeeded in obtaining a CA decision to restore her possession upon posting a P10,000 bond. This prompted the current petition for review on certiorari.

Issues:

1. Whether the City Court had jurisdiction to rule on ownership in an ejectment case.
2. Whether the proper remedy against a final CFI decision in a petition for declaratory relief is certiorari, petition for review, or appeal.
3. Whether a writ of execution in an illegal detainer action is enforceable against an occupant claiming to be a lessee of the ejected party.

Court's Decision:

The Supreme Court found the petition meritorious. The first two issues became moot as Jesus Co's appeal was dismissed, focusing on the third issue. The decision for unlawful detainer was final and enforceable. As well as Co's quieting title action was dismissed as res judicata, Babao-Gonzales, as a sublessee, had no superior right to Co. Thus, the CA's decision was reversed, and the original order in favor of Heirs of Eugenio Sevilla, Inc., was reinstated.

Doctrine:

A lessee or sublessee has no rights superior to the lessee of the losing party in an ejectment case and is bound by the judgment against their lessor. Furthermore, the mere sublessee cannot invoke rights superior to those of their sublessor.

Historical Background:

In the long-standing principle of Philippine property law, rights of possession and the outcome of property disputes hinge on the established ownership. City or municipal courts handled lower-cost and expedited proceedings for unlawful detainer (ejectment) cases, and the findings on ownership in such cases, though not for title declaration, often had immediate practical effects, such as in eviction or execution orders, which could be later scrutinized by higher courts in more comprehensive proceedings examining title and ownership like quieting of title actions. This case reaffirms traditional legal precedents regarding tenancy, subtenancy, and the effective reach of final judgements in ejectment proceedings amidst procedural and juridical complexities.