

Title:

****Reyes v. Chung: Establishing the Right to Writ of Possession for Subsequent Property Purchasers****

Facts:

Petitioners Rosalino Jr. and Sylvia Reyes mortgaged a property in Quezon City to Export and Industry Bank, Inc. (EIBI), later acquired by foreclosure due to default. EIBI's acquired title transferred first to LNC (SPV-AMC) Corporation, then to the respondents, the Chungs, via sales transactions. Failing to occupy the property and facing the Reyes' refusal to vacate, the Chungs filed an ejectment complaint and an ex-parte petition for a writ of possession under Act No. 3135. The lower courts denied the Reyes' motions against the issuance and supported the writ and subsequent Break Open Order favoring the Chungs. An appeal to the Court of Appeals (CA) affirmed these decisions.

Issues:

1. Did the Chungs commit forum shopping by filing an ejectment complaint and later a writ of possession?
2. Was the issuance of a Writ of Possession and Break Open Order in favor of the Chungs proper?

Court's Decision:

The Supreme Court held that the Chungs did not engage in forum shopping as they withdrew their ejectment appeal before filing the writ of possession, and the actions were not simultaneous or based on identical issues. The Court ruled the remedy of writ of possession applies to subsequent property purchasers post-foreclosure, subject to a hearing. Despite an incorrect ex-parte procedure by the trial court, the petitioners were given opportunity to challenge, deeming the final possession ruling just. The Break Open Order was also warranted given the circumstances.

Doctrine:

- Subsequent purchasers of a property post-foreclosure are entitled to a writ of possession, but unlike original mortgagee-purchasers, their application must be decided upon after a hearing to confirm possession status.
- Forum shopping requires simultaneous or successive filing of multiple actions based on identical transactions, facts, circumstances, and issues, which was not established in this case.

Class Notes:

- **Writ of Possession**: Legal mechanism to enforce right of possession. Available to subsequent purchasers post-foreclosure after hearing. Based on Act No. 3135, Section 7.
- **Forum Shopping**: Pursuing multiple judicial remedies in different courts over the same subject, typically prohibited. Criteria include identity in parties, rights, facts, and that judgment in one could affect another's outcome (litis pendentia or res judicata).
- **Act No. 3135, Section 7**: Allows foreclosure sale purchasers to petition for possession during redemption, emphasizing subsequent purchaser rights through court hearing.

Historical Background:

The case illustrates evolving interpretations regarding the rights of subsequent property purchasers following a foreclosure. Earlier jurisprudence unequivocally permitted original mortgagee-purchasers an ex-parte writ of possession, expanding understanding to include successor purchasers, emphasizing due process through mandatory hearings to assert possession rights further. This adjustment acknowledges the procedural fairness and the evolving nature of property rights post-judicial and extrajudicial settlements.