Title: Spouses Wilfredo and Angela Amoncio vs. Aaron Go Benedicto

Facts:
On July 15, 1997, the Spouses Wilfredo and Angela Amoncio leased a portion of their 600 sq. m. property in Quezon City to Ernesto Garcia, covering 120 sq. m. Subsequently, on August 20, 1997, they leased a 240 sq. m. portion of the same property to Aaron Go Benedicto for a monthly rental of Php 19,200, with terms including a five-year lease period with annual renewals.

In December 1997, both Garcia and Benedicto took possession of their leased portions. By July 1999, Garcia had terminated his contract, whereas Benedicto remained until June 8, 2000. The Amoncios alleged that Benedicto stopped paying rent from December 1999 and occupied an additional 120 sq. m. without lease, including Garcia's vacated portion. Requests were made for Benedicto to pay arrears and vacate but were unheeded, leading the Amoncios to rescind the lease on January 27, 2000.

On June 23, 2000, the Amoncios filed a complaint for recovery of possession and damages in RTC Quezon City, claiming unpaid arrears and rentals for annexed areas, and demanded fulfillment of the lease term payments. Benedicto countered with a claim that he was constructing commercial buildings on the premises under a different agreement with Wilfredo Amoncio, which required remuneration for the construction of additional buildings beyond the leased area.

The RTC ruled in favor of Benedicto, dismissing the Amoncio's complaint and granting Benedicto's counterclaims for unpaid construction costs, which the Amoncios then appealed to the Court of Appeals. The CA upheld the RTC decision. The Amoncio's motion for reconsideration was denied, leading to the current appeal by certiorari to the Supreme Court.

Issues:
1. Whether the Amoncios consented to the construction of buildings by Benedicto.
2. Whether the trial court erred in admitting parol evidence.
3. Whether Benedicto was a builder in bad faith.
4. Whether the Amoncios were entitled to rental payments for the unexpired term and additional property portions.

Court's Decision:
The Supreme Court affirmed the CA ruling, dismissing the petition by Amoncios.

1. On construction consent: The Court found no error in lower courts' findings that Amoncios implicitly consented, notably Wilfredo Amoncio's actions in securing building permits.

2. On parol evidence: The parol evidence rule did not apply as the Amoncios failed to object to the evidence presented at the RTC level, thereby waiving their rights.

3. Builder in bad faith: As the Court found consent in construction, it negated any bad faith by Benedicto.

4. Rental payments: The Court reasoned that since Benedicto had prepaid some rentals and due to the unjust enrichment principle, the demand for payments was unwarranted given property value increases benefitting Amoncios from the constructions.

Doctrine:
1. Parol Evidence Rule – This limits evidentiary disputes on written agreements to their content unless exceptions apply, such as failure to object timely.
2. Doctrine of Estoppel – A party cannot assume inconsistent positions where prior benefit was acknowledged.
3. Unjust Enrichment – Parties should not financially benefit without compensating the contributing party.

Class Notes:
– Parol Evidence Rule: Precludes external evidence of written contracts barring set exceptions (Rule 130, Section 9, Rules of Court).
– Estoppel Doctrine: Prohibits contradictory stances post benefit acknowledgment.
– Unjust Enrichment: No party should gain at another's expense without payment for services or improvements received.

Historical Background:
This case occurred within the evolving real estate complexity of urban Quezon City in the late 1990s, amidst increasing property development pressures. The judicial resolution reflects not only on contractual technicalities but socio-economic realities of property value appreciation from infrastructure improvements, underlining the interplay of equity in legal determinations of property and leasehold disputes.