A.M. No. RTJ-03-1753 (Formerly OCA IPI No. 03-1652-RTJ). February 05, 2004 (Case Brief / Digest)

Title:

Rufina Orata vs. Intermediate Appellate Court, et al. - Ejectment and Good Faith in Payment to Lessor

Facts:

Gertrudes Reyes, as judicial administratrix of Florencio dela Cruz's estate, demanded rental payments from petitioner Rufina Orata for a property owned by the deceased. Since 1961, Reyes had consistently demanded these payments, which Orata claimed to have paid to Celso Teodoro instead. Orata argued Teodoro, the grandson of dela Cruz, was the rightful lessor as he inherited the property. Consequently, Reyes filed Civil Case No. 5083 at the Municipal Court of San Juan on May 24, 1980, for non-payment of rent.

The Municipal Court ruled in favor of Reyes on August 27, 1984, ordering Orata to vacate the property and pay rent and attorney fees. Orata appealed to the Regional Trial Court (RTC) of Pasig, which affirmed the lower court's decision on March 4, 1985. Upon denial of her motion for reconsideration on May 2, 1985, Orata filed a Notice of Appeal on May 8, 1985 and a petition for review at the Intermediate Appellate Court (IAC) on May 17, 1985.

The IAC dismissed the petition for being filed beyond the reglementary period on May 23, 1985. Orata's subsequent motion for reconsideration was denied on January 6, 1986. Orata then petitioned the Supreme Court for certiorari to annul the IAC's dismissal and reverse the RTC's decision.

Issues:

- 1. **Timeliness**: Whether the petition for review filed at the Intermediate Appellate Court can be considered despite being tardy, in the interest of substantial justice.
- 2. **Good Faith Payment**: Whether Orata's payment to Celso Teodoro, the registered owner at that time, was made in good faith and absolved her of rental obligations to Reyes.
- 3. **Ejectment Validity**: Whether the ejectment judgment rendered by the Municipal Court and affirmed by the RTC was valid given the circumstances of ownership and payment.

Court's Decision:

1. **Timeliness**:

The Supreme Court found the petition filed out of time, due to Orata's petition being filed nine days late. However, the Court emphasized that rigidity in technicalities must give way to substantial justice and meritorious cases. It cited past rulings where minor procedural lapses were overlooked to attain justice (St. Peter Memorial Park v. Cleofas, Galdo v.

Rosete).

2. **Good Faith Payment**:

Evidence indicated that during the period in question (1979 to 1980), Celso Teodoro was the registered owner of the property per TCT No. 436125. As such, under Article 1242 of the Civil Code, Orata's payment to Teodoro was made in good faith. The Court referenced Yumul v. Rivera and Director of Lands v. Abache, which establish that a certificate of title conclusively establishes ownership. Consequently, payments made to Teodoro were appropriate and discharged Orata's rental obligation.

3. **Ejectment Validity**:

Since Orata fulfilled her rental duties by paying the registered owner, the Court held that the administratrix did not have grounds for ejectment. Article 500 and Article 1214 of the Civil Code maintain that co-owners must distribute shares among themselves if an obligation was paid to one of them, thus protecting the debtor from further claims.

Doctrine:

- **Substantial Justice Over Technicalities**: Courts may set aside technical rules to focus on case merits.
- **Conclusive Nature of Titles**: Registered landowners' titles are definitive and anyone dealing with them may rely on their ownership.
- **Good Faith Payment**: Payment made to the apparent creditor or rightful possessor in good faith discharges the debtor from obligation (Article 1242, Civil Code).

Class Notes:

- **Key Concepts**:
- Substantial justice can override technical procedural errors.
- Certificates of title establish definitive ownership; reliance on them is legally protected.
- Payment to an apparent rightful owner, in good faith, discharges the debtor from obligations.
- **Relevant Legal Provisions**:
- Article 1242, Civil Code: Validates payments to an apparent rightful creditor.
- Articles 500 and 1214, Civil Code: Co-owners' accounting obligations post-payment from a single owner.
- Judiciary Act, RA No. 6031 & related rulings: Defines procedural norms for appeals and reviews.

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Historical Background:

Ejectment cases like this highlight landownership and tenancy issues in the Philippines, where disputes often arise from complex family dynamics and inheritance questions. The procedural history underscores the challenges litigants face in navigating the judiciary system's hierarchical appellate process. Such cases illuminate jurisprudence trends where courts balance technical rules against equitable outcomes, reflecting broader socio-legal trends towards substantive justice over procedural rigidity.