

G.R. No. L-49823

THIRD DIVISION

[G.R. No. L-49823.]

**THE HEIRS OF EUGENIO SEVILLA, INC., PETITIONER, VS.
THE COURT OF APPEALS AND CORAZON BABAO-GONZALES, RESPONDENTS.**

D E C I S I O N

DAVIDE, JR., J.:

This is a petition
for review on *certiorari* under Rule 45 of the Rules of Court seeking the
reversal of the respondent Court of Appeals' decision of 2 November 1978 in
C.A.-G.R. No. SP-07822-R,^[1] the
dispositive portion of which provides:

“PREMISES CONSIDERED, the order of respondent Judge dated January
25, 1978 is SET ASIDE and respondent sheriff Jaime de Leon is hereby ordered to
restore petitioner Corazon Babao Gonzales to the possession of the questioned
premises No. 1265 Calle Sande, Tondo, Manila upon the filing by the latter of a
bond in the amount of P10,000.00 for
any and all damages which the Heirs of Eugenio Sevilla, Inc. may suffer.

SO ORDERED.”

The facts of the case are not disputed by the parties.

On 17 June 1976, the petitioner filed an action for unlawful
detainer in the City Court (now Metropolitan Trial Court) of Manila against

Jesus A. Co; the complaint was docketed as Civil Case No. 12235-CV and was raffled to Branch I thereof. Petitioner alleged therein that it is the owner of a parcel of land, with a theater building named *Cinema Gigi*, standing thereon, located at Calle Sande, Tondo, Manila, and that Jesus Co, as lessee of the theater building, failed to pay the agreed rentals at the rate of two thousand pesos (P2,000.00) a month since 1974. In his Answer, Jesus Co countered that it is he who owns both the lot and the theater building, having acquired the same by virtue of a sale made by the petitioner; he further avers that on 15 June 1976, he leased *Cinema Gigi* to herein private respondent Corazon Babao-Gonzales for a period of ten (10) years.

During the pendency of the unlawful detainer case, particularly on 30 September 1977, Jesus A. Co filed an action "To Quite (sic) Possession, Ownership and Issuance of Title" against the petitioner in the then Court of First Instance (now Regional Trial Court) of Manila. The case involved the same property abovementioned and was docketed as Civil Case No. 105465. A motion to dismiss the complaint was filed by the petitioner.

On 30 September 1977, the City Court of Manila rendered a decision in the unlawful detainer case in favor of the petitioner, ordering, *inter alia*, defendant Jesus A. Co:

"x x x and any
and all persons, if any, claiming under
him or otherwise privies
to him in the occupancy
of the said premises referred to in
the complaint to vacate the same immediately; x x
x."⁽²⁾

In the same decision, the court ruled that petitioner is the owner of the property and that the so-called Deed of Sale by installment over

it, purportedly executed by Ramon Sevilla in favor of Co, is a forgery.

Defendant Jesus A. Co failed to appeal from this decision, thus resulting in its becoming final and executory. On 3 November 1977, a writ of execution was issued by the City Court and served by special sheriff Jaime L. de Leon on the occupants of the property.

On 15 November 1977, Corazon Babao-Gonzales, respondent herein, claiming to be a lessee of Jesus A. Co with respect to the subject premises, filed with the Court of First Instance of Manila a petition for “Declaratory Relief and to Vacate Judgment, Execution Order and Notice to Vacate, with Prayer for Preliminary Injunction,” against herein petitioner, Jaime de Leon, National Deputy Sheriff, and the Hon. Judge Gregorio Garcia, Presiding Judge of Branch I, City Court of Manila.^[3]

The case was docketed as Civil Case No. 112027.

On 16 November 1977, after ejecting all the occupants of *Cinema Gigi*, sheriff Jaime de Leon padlocked and closed the premises, delivering, at the same time, possession thereof to the petitioner.

On the same day, 16 November 1977, after the sheriff delivered possession of the subject premises to petitioner thru its president, Ramon S. Sevilla, and after the latter left the premises, Corazon Babao-Gonzales, together with Atty. Beltran Sotto and two John Does, forcibly destroyed the chain and padlocks of the building and took possession thereof.^[4]

The following day, 17 November 1977, in Civil Case No. 112027, Judge Pedro Cenzon issued a restraining order prohibiting petitioner from reacquiring possession of the subject premises. Petitioner filed a motion to lift the restraining order. A hearing was thereafter conducted on said motion and Gonzales’ application for the issuance of a writ of preliminary injunction.

After the hearing, Judge Pedro Cenzon issued on 25 January 1978 an Orders^[5]

denying the petition for declaratory relief and lifting the restraining order issued therein, based on the following findings of facts:

“a. The issuance of the writ of execution was based on a final judgment of the City Court of Manila, Branch I, in Civil Case No. 12235-CV entitled ‘Heirs of Eugenio Sevilla, Inc. versus Jesus Co, for ejectment. This judgment has not been set aside in any proceeding as null and void.

b. The writ of execution was duly served by the respondent sheriff, implemented and completed. The possession of the premises in question has been turned over to the possession of the private respondent, Ramon Sevilla, by the respondent sheriff as per Exhibit 8.

c. If the petitioner (Corazon Babao-Gonzales) is now in physical possession of the premises in question, such physical possession is a mere interference or disturbance of the possession of the private respondent (Heirs of Eugenio Sevilla, Inc.) after he (sic) acquired it when the respondent sheriff delivered the premises to him (sic) in compliance with the writ of execution. There is nothing to restrain. There (sic) respondent City Court judge has already ordered execution of the judgment and the respondent sheriff has already carried out the order and placed the private respondent in possession of the premises in question.

d. The petitioner is herself a wrong doer when she interfered (sic) with the possession of the private respondent after it was given to him (sic) by the respondent sheriff.

e. The petitioner has failed to established (sic) a clear or positive right over the property in question. Her socalled (sic) right is predicated on a contract of lease between herself and Jesus Co as the lessor-owner of the property. But the ownership of Jesus Co on the property is based on a Deed of Sale by installment which the PC Crime Laboratory, Camp Crame, Quezon City, has declared to be a forgery. Likewise, the very notary public who allegedly notarized this document it (sic) to be a fake. In short, the right of the petitioner on (sic) the property in question is not in esse or 'in being' up to this hour.

f. The existence of Civil Case No. 10465 (sic) entitled 'Jesus Altavano Co vs. the Heirs of Eugenio Sevilla, represented by Ramon Sevilla' in Branch IX of this Court where the issue is allegedly one of ownership, will not be rendered moot and academic by the denial of a writ of preliminary injunction by this Branch of the Court. If Jesus Altavano Co, the plaintiff in that case will be declared the owner of the property in question, then its possession will go with his ownership. But the final judgment of the City Court, Branch I, in the ejectment case should be, as it was, executed, because it is a valid decision until declared otherwise in a proper proceedings (sic). Importantly, the petitioner did not intervene in Civil Case No. 12235 of Branch I of the City Court of Manila."

x x x

On 9 February 1978, petitioner herein filed a motion praying that Gonzales and her counsel be held guilty of indirect contempt and be ordered to vacate the *Cinema Gigi*. Acting thereon, Judge Jose B. Herrera issued on 8 March 1978 an Order directing

“Deputy Sheriff Jaime de Leon, who may avail himself (sic) of the assistance of any law enforcement agency, to eject the defendant Jesus A. Co and all other persons claiming right (sic) under him from the premises of Cine GIGI situated at Calle Sande St., Tondo, Manila, and to restore plaintiff to the possession thereof.”^[6]

Her motion to reconsider the Order of Judge Pedro Cenzon in Civil Case No. 112027 of 25 January 1978 having been denied, herein private respondent Babao-Gonzales filed with the respondent Court on 25 May 1978 “a Petition for Review with Prayer for Preliminary Injunction and Damages,”^[7]

docketed as C.A.-G.R. No. SP-07822-R. In the said petition, private respondent claimed that she has a better

right to possess the subject premises and prayed, *inter alia*, that a writ of preliminary mandatory

injunction be issued to restore her to the possession of the questioned

premises. On 2 November 1978, the

respondent Court rendered a decision setting aside the 25 January 1978 Order of Judge Pedro Cenzon and ordering Sheriff Jaime de Leon to restore respondent Corazon Babao-Gonzales to the possession of the questioned premises upon the filing of a bond to answer for any and all damages that may be suffered by petitioner corporation.^[8] In

granting the petition, respondent Court relied on the following arguments:

“We find merit in the instant petition. In the first place, it is a fact that petitioner Corazon Babao Gonzales is not a sub-lessee of Jesus Altavano Co but a lessee in which case she cannot come under the term ‘persons claiming under him’. Secondly, in the ejectment case (Civil Case No. 12235-CV), the defendant was Jesus A. Co only. To enforce the judgment in said ejectment case against herein petitioner Corazon Babao Gonzales would indeed be violative of the constitutional provision regarding the due process clause. Thirdly, the action to quiet title instituted by Jesus Altavao (sic) Co vs. Heirs of Eugenio Sevilla, Inc. (Civil Case No. 105465) is still pending trial before the Court of First Instance of Manila, Branch IX. It was not within

the competence of the City Court in the ejectment suit to say that the true owner of the property are the Heirs of Eugenio Sevilla, Inc. because the sale in favor of Jesus Altavano Co was a forgery. This matter is within the competence and jurisdiction of the court of first instance and precisely that is the issue in said Civil Case 105465. x x x We believe it would be more prudent to maintain the status quo of the parties and for the respondent sheriff and his duly authorized representatives and agents to desist from enforcing the writ of execution issued by the City Court of Manila in Civil Case No. 0-12235-CV against Corazon Babao Gonzales until the court of first instance has decided the action to quiet possession, ownership and possession of title.”

Its motion for reconsideration of the above decision having been denied, petitioner filed the instant petition on 2 March 1979.

On 9 March 1979, this Court required respondent to comment on the petition within ten (10) days from receipt of notice.^[9]

However, before respondent could submit its Comment, petitioner, on 13 March 1979, filed a supplemental petition^[10] apprising this Court of the fact that Civil Case No. 105465, the action for Quieting of Title before the Court of First Instance of Manila, was dismissed on the ground of *res judicata* by said court in the Order handed down on 26 February 1979.^[11] Co appealed the Order to the Court of Appeals, which was docketed as C.A.-G.R. No. 67454-R.

Private respondent subsequently submitted both her comment to the petition^[12] and comment to the supplemental petition.^[13]

This Court resolved to give due course to the petition and required both parties to submit their respective Memoranda simultaneously, which they complied with.

On 2 March 1987, this Court required both parties to manifest

whether they are still interested in prosecuting this case.^[14]

Petitioner manifested on 30 March 1987 that it is still interested in prosecuting the case; it likewise informed this Court that Co's appeal (C.A.-G.R. No. 67454-R) was dismissed by the respondent Court of Appeals on 5 May 1981, as "evidenced by the Court of Appeals' entry of judgment dated 24 May 1981."^[15] The dismissal was based on Co's failure to file the record on appeal.

In this petition, petitioner raises the following issues:^[16]

"Whether the City Court of Manila has the jurisdiction to pass upon the issue of ownership in an ejectment case brought before it.

Whether *certiorari*, petition for review, or appeal to the Court of Appeals is the proper remedy against, a final order or decision of the Court of First Instance in a petition for Declaratory Relief.

Whether a writ of execution in an action for illegal detainer is enforceable against an occupant who claims to be a lessee of the party ordered ejected therefrom."

This petition is impressed with merit.

Since the first two (2) issues have become moot and academic in view of the dismissal of Jesus Co's appeal, C.A.-G.R. No. 67454-R, We shall focus our discussion on the third issue.

To recapitulate, the decision in the unlawful detainer case, Civil Case No. 12235-CV, wherein the court held that the petitioner is the owner of the subject premises, the so-called deed of sale on installment upon which Co based his claim of ownership is a forgery and Co is a mere lessee thereof, had long become final and had in fact been executed. Also, Co's action for Quieting

of Title,
Civil Case No. 105465, filed in the Court of First Instance of Manila, was dismissed on the ground that, the cause of action is barred by prior judgment. The dismissal had likewise become final because Co's appeal (C.A.-G.R. No. 67454-R) to the Court of Appeals was dismissed and entry of judgment was made on 24 May 1981.

In view of the above final decision and order, herein private respondent cannot claim any better right than Mr. Co.

In *Jorge vs. Consolacion*,^[17] this Court held:

"The petitioners, as mere lessees of the losing party, have no rights whatsoever to claim and to be protected by the mantle of the law and neither do they have the right to intervene and/or block the execution of the judgment in Civil Case No. 1160."

Furthermore, private respondent was in reality a mere sublessee. It is a well settled rule in this jurisdiction that "the sublessee ... can invoke no right superior to that of his sublessor."^[18] In *Guevara Realty, Inc. vs. Court of Appeals*,^[19] We held:

"A Judgment of eviction against a lessee affects his sub-lessees, even if the latter are not sued in the ejectment case. This is so, because a sublessee can invoke no right superior to that of his sublessor, and the moment the latter is duly ousted from the premises, the former has no leg to stand on. The sublessees' right, if any, is to demand reparation for damages from his sublessor, should the latter be at fault. The sublessees can only assert such right of possession as could have been granted them by their sublessor, their right of possession depending entirely upon that of the latter.' (Tolentino, Civil Code

of the Philippines, Vol. 5, pp. 194-195, citing the cases of *Ng Sui Tan v. Amparo*, 80 Phil 921; *Go King v. Geronimo*, 81 Phil. 445; *Sipin v. Court of First Instance of Manila*, 74 Phil. 650; *Madrigal v. Ang Sam To, et al.*, 46 Off. Gas. 2173).”

Hence, even if respondent was not made a party in the unlawful detainer case, the judgment evicting Jesus Co is equally binding on her, contrary to her contention.

WHEREFORE, the petition is GRANTED. The assailed decision of the respondent Court of Appeals in C.A-G.R. SP-07822-R is hereby REVERSED and SET ASIDE and the Order of the trial court of 25 January 1978 in Civil Case No. 112027 is REINSTATED.

Costs against respondent.

IT IS SO ORDERED.

Gutierrez Jr., (Chairman), Feliciano, Bidin, and Romero, JJ., concur.

^[1]
Annex “A” of Petition; *Rollo*, 28.

^[2]
Annex “G”, Memorandum for Petitioner; *Rollo*, 181-183.

^[3]
Annex “B” of Petition; *Id.*, 35-45.

^[4]
Annex “H”, Memorandum for Petitioner; *Rollo*, 184.

^[5]
Annex “C” of Petition; *Id.*, 47-55.

^[6]
Annex “H”, Memorandum for
Petitioner; *Rollo*, 185.

^[7]

Annex “D” of Petition; *Id.*, 56-70.

^[8]

Annex “A” of Petition; *Rollo*, 23-28.

^[9]

Rollo, 73.

^[10]

Id., 74.

^[11]

Annex “E” of Supplemental Petition; *Id.*, 80-82.

^[12]

Id., 88-96.

^[13]

Id., 97-102.

^[14]

Rollo, 189.

^[15]

Id., 190.

^[16]

Petitioner’s Memorandum, 5; *Id.*, 116.

^[17]

179 SCRA 593.

^[18]

Sipin, et al. vs. Court of First Instance of Manila, 74 Phil. 649;
Duellome vs. Gotico, 7 SCRA 841, 847.

^[19]

160 SCRA 478, 482.