

**ATTY. JOAQUIN OBIETA AND DR. YOLANDA OBIETA, PETITIONERS,
VS. MARIA ELVIRA ARCILLA-AGUILAR, MARIA ROSARIO
ARCILLA-TANO, ANTONIO ARCILLA, JR., ALFREDO NICASIO
ARCILLA, ARNULFO JO...**

Ponente: INTING, S.B., J.

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INTING, S.B., J.:

Before us is a Petition for Review[1] seeking to set aside the Decision[2] dated 31 May 2012 and the Order[3] dated 23 October 2012 of the Regional Trial Court (RTC), Branch 155, Pasig City, in SCA Case No. 3665 entitled, “Maria Elvira Arcilla-Aguilar, et. al., Plaintiffs-Appellees, -versus- Atty. Joaquin Obieta, et. al., Defendants-Appellants”, dismissing herein petitioners' appeal and denying their motion for reconsideration.

THE FACTS

The facts of the case as found by the Metropolitan Trial Court in Cities (MeTCC), Branch 72, Pasig City are as follows:

“The Complaint alleges that on September 13, 1990, prior to their death, Spouses Antonio Arcilla, Sr. and Gregoria Cabaero-Arcilla entered into a Contract of Lease with defendant Spouses Atty. Joaquin Obieta and Dr. Yolanda Obieta [herein petitioners]. The said lease contract covers a residential property located at 17 Capinpin Street, San Antonio Village, Pasig, currently registered under the names of Spouses Arcilla as indicated in Transfer Certificate of Title No. 45458. The terms of the Lease Contract provide for a period of one (1) year commencing on September 16, 1990, with a monthly rental of Fifteen Thousand Pesos (Php15,000.00). Said defendant spouses, as lessees, were given an option to renew the contract for another year under the same terms and conditions, except in the event of an extra ordinary inflation or deflation of the Philippine currency, in such case the rental rate for the new period shall be subject to the negotiation of the parties (Annex “B”). After the expiration of the one year period provided under the said contract of lease, spouses Arcilla Sr. and spouses Obieta entered into a verbal agreement for (a) the continuation of the lease; (b) the increase of the monthly rent from Fifteen Thousand Pesos (Php15,000.00) to Eighteen Thousand Pesos (Php18,000.00); and (c) the direct remittance of the monthly rent without need of demand to a designated account in the Far East Bank and Trust Company, now Bank of the Philippine Islands. During the pendency of the Lease, lessors Antonio Arcilla, Sr. and his wife Gregoria Cabaero-Arcilla died. Lessor Gregoria Cabaero-Arcilla died on July 14, 1995, while lessor Antonio Arcilla, Sr. died on February 1, 2008. From the commencement of the lease in 1990 up to the year 2000, defendant spouses [herein petitioners] were duly paying their monthly rentals in accordance with the written Lease Contract and the verbal agreement. However, during the years 2001, 2002, 2003, and 2004, a review of the bank statements disclosed that there were a few missing deposits amounting to One Hundred Ninety Eight Thousand Pesos (Php198,000.00).”[4]

Through private respondents' attorney-in-fact Atty. Siegrid B. Mison, the parties entered into agreements on how petitioners' arrears will be paid to private respondents, but to no avail. According to private respondents, as of 30 April 2010, petitioners' arrears ballooned to One Million One Hundred Fifty Eight Thousand Pesos

(Php1,158,000.00). Private respondents sent to petitioners their Final Demand to Pay Rent and Vacate the property dated 18 March 2010. However, herein petitioners still failed to pay their rental arrears and to surrender physical possession of the leased property. Thus, private respondents' filed a complaint for unlawful detainer against herein petitioners.

On 28 June 2011, the Metropolitan Trial Court in Cities (MeTCC), Branch 72, Pasig City, rendered a decision[5], the dispositive portion of which states:

“WHEREFORE, premises considered, judgment is rendered in favor of plaintiffs and against defendant spouses Joaquin and Yolanda Obieta, ordering the latter to pay the former the following:

1. The amount of One Million Two Hundred Thirty Thousand Pesos (Php1,230,000.00) representing unpaid rents until August 2010 with an interest of 12% per annum from the filing of the Complaint until fully paid; and
2. The amount of Ten Thousand Pesos (Php10,000.00) as and by way of attorney's fee;
3. Cost of the suit.

SO ORDERED.”[6]

On 31 May 2012 the Regional Trial Court (RTC), Branch 155, Pasig City, rendered a decision[7] dismissing herein petitioners' appeal. The dispositive portion of which reads:

“WHEREFORE, finding no reversible error in the challenged Decision dated June 28, 2011, rendered by the Metropolitan Trial Court Branch 72, Pasig City, the same is hereby AFFIRMED IN TOTO and the instant appeal is hereby DISMISSED for lack of merit.

SO ORDERED.”[8]

Herein petitioners received the decision dismissing their appeal. Hence, they filed a motion for reconsideration of the same.

However, on 23 October 2012 the RTC denied[9] petitioners' motion for reconsideration. Hence, this petition.

THE PETITION

Undaunted, petitioners took the instant petition for review[10] raising the following errors of the trial court, to wit:

I. WHEN IT FAILED TO CONSIDER THAT THE ALLEGATIONS IN THE COMPLAINT FAILED TO CONSTITUTE A CASE FOR UNLAWFUL DETAINER;

II. WHEN IT TOTALLY DISREGARDED THE EVIDENCE ON RECORD AND THE FACTUAL FINDINGS OF THE METROPOLITAN TRIAL COURT (MeTC) THAT PETITIONERS WERE NO LONGER IN POSSESSION AT THE TIME OF THE INSTITUTION OF THE COMPLAINT. THUS, A CASE FOR UNLAWFUL DETAINER WOULD NOT LIE.

III. WHEN IT AFFIRMED WITHOUT LEGAL AND FACTUAL BASIS THE MeTC'S AWARD OF BACK RENTALS FROM 2001 UP TO AUGUST 2010 IN THE AMOUNT OF P1,230,000.00.[11]

Petitioners maintained that respondents failed to satisfy the jurisdictional facts for unlawful detainer. Thus, they are convinced that the MeTC has no jurisdiction and the appellate court was mistaken in affirming the latter's decision.

Petitioners insisted that they are no longer occupying the leased property at the time of the filing of the unlawful detainer considering that they have vacated said property as early as 1 May 2010. Thus, they concluded that respondents' action for unlawful detainer has no basis.

Petitioners also asserted that since MeTC has no jurisdiction on the main action of unlawful detainer, then it has also no jurisdiction to award ancillary relief, such as petitioners' back rentals.

RULING

The core of the controversy to be resolved is whether the trial court erred in affirming the decision of the court a quo or in dismissing appellants' appeal and in denying their motion for reconsideration.

We rule in the negative.

Jurisdiction is the power or capacity given by the law to a court or tribunal to entertain, hear and determine certain controversies.[12] Jurisdiction over the subject matter is conferred by law.

Section 33 of Chapter III -- on Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts of B. P. No. 129[13] provides:

Section 33. Jurisdiction of Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in civil cases.—Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:

x x x x

2. Exclusive original jurisdiction over cases of forcible entry and unlawful detainer: Provided, That when, in such cases, the defendant raises the question of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership shall be resolved only to determine the issue of possession.

Thus exclusive, original jurisdiction over ejectment proceedings (accion interdictal) is lodged with the first level courts. This is clarified in Section 1, Rule 70 of the 1997 Rules of Civil Procedure that embraces an action for forcible entry (detentacion), where one is deprived of physical possession of any land or building by means of force, intimidation, threat, strategy, or stealth.

The other kind of ejectment proceeding is unlawful detainer (desahucio), where one unlawfully withholds possession of the subject property after the expiration or termination of the right to possess. Here, the issue of rightful possession is the one decisive; for in such action, the defendant is the party in actual possession and the plaintiff's cause of action is the termination of the defendant's right to continue in possession.[14]

While it is true that in forcible entry and unlawful detainer cases, jurisdiction is determined by the nature of the action as pleaded in the complaint,[15] a simple allegation that defendant is unlawfully withholding possession from plaintiff is sufficient. In an unlawful detainer case, the defendant's possession was originally lawful but ceased to be so by the expiration of his right to possess.[16] Hence, the phrase "unlawful withholding" has been held to imply possession on the part of defendant, which was legal in the beginning, having no other source than a contract, express or implied, and which later expired as a right and is being withheld by defendant.[17]

Unlawful detainer is attended by the following features: (1) prior possession of the property by the plaintiff is not necessary; (2) possession of the property by the defendant at the start is legal but the possession becomes illegal by reason of the termination of his right to possession based on his or her contract or other arrangement with the plaintiff; (3) the plaintiff is required by law to make a demand as a jurisdictional requirement; and (4) the

one-year period to bring the complaint is counted from the date of the plaintiff's last demand on the defendant.[18]

Under these standards, a plain reading of private respondent's complaint shows that petitioners entered into a lease contract with spouses Antonio Arcilla, Sr. and Gregoria Cabaero-Arcilla, private respondents' parents, whereby the rental fee shall be deposited to said spouses' bank account. Despite expiration of said one year lease contract, petitioners occupied and possessed the leased property as the parties verbally agreed to continue the same. From year 1990 to 2000, petitioners regularly paid their rental fees. However, private respondents discovered that from the years of 2001 to 2004 petitioners incurred arrears. Petitioners promised to pay their arrears but to no avail. Meanwhile, private respondents' parents died. Petitioners continued to possess or occupy the leased property even after non-payment of monthly rentals. Private respondents' demand for petitioners to vacate and to pay their arrears fell on deaf ears. Thus, private respondents filed this ejectment case.

It can be gleaned upon the records of the case that petitioners failed to pay rental arrearages. Failure to pay timely rentals entitles the lessor to terminate the lease. However, petitioners occupied the subject property by mere tolerance. While tolerance is lawful, such possession becomes illegal upon demand to vacate by the owner and the possessor by tolerance refuses to comply with such demand.[19]

Private respondents, through their lawyer, sent petitioners demand letters to vacate the subject property and pay their rental arrears, but petitioners did not comply with the demand. A person who occupies the land of another at the latter's tolerance or permission, without any contract between them, is necessarily bound by an implied promise that he will vacate upon demand, failing which a summary action for ejectment is the proper remedy against him.[20] Under Section 1, Rule 70 of the Rules of Court, the one-year period within which a complaint for unlawful detainer can be filed should be counted from the date of demand, because only upon the lapse of that period does the possession become unlawful.[21] Respondent filed the ejectment case against petitioners on 18 June 2010, which was less than a year from 19 March 2010, the date the final demand of private respondents was received by petitioners. Hence, it is clear that the action was filed within the one-year period prescribed for filing an ejectment or unlawful detainer case.

This Court, then, holds that private respondents properly filed an ejectment case against petitioners. The jurisdictional requirements in filing the possessory action are satisfied. In such a case, the court *a quo* validly acquired jurisdiction.

It is of no moment that the petitioners later vacated the leased property. Once jurisdiction attaches, the court cannot be ousted from the case by any subsequent events, such as a new legislation placing such proceedings under the jurisdiction of another body, [or in this case when the leased property was allegedly vacated]. The only recognized exceptions to the rule, which find no sway in the present case, arise when the statute expressly so provides or when the statute is clearly intended to apply to actions pending.[22] Also, the letter to the barangay captain of San Antonio dated 10 August 2010 does not convince this court that petitioners vacated the property as early as 1 May 2010. It is self-serving and unsupported by any other evidence. Thus, it deserves no consideration. The least petitioners could have done was to inform private respondents that they have vacated the property for its proper turn over to the latter.

Anent the award of back rentals, we find that petitioners should pay adequate compensation to private respondents, since the former continued to occupy the leased premises even after the expiration of the lease contract. As the lease price during the effectivity of the lease contract was P18,000.00 per month, we find it to be a reasonable award considering that petitioners continued to occupy, enjoy and make use of the property without adequate payments from the year 2001 to August 2010. This is consistent with the principle of unjust enrichment provided under Article 22 of the Civil Code which states:

“Art. 22. Every person who through an act of performance by another, or any other means, acquires or comes into possession of something at the expense of the latter without just or legal ground, shall return the same to him.”

Finally, we uphold the award of attorney's fees in the amount of P10,000.00 and judicial costs in the light of petitioners' unjustifiable and unlawful retention of the leased premises, thus forcing private respondents to file the instant case in order to protect their rights and interest.

Resultantly, the Court finds no attributable error in the assailed lower court's decision and order. The trial court did not err in ruling as it did.

WHEREFORE, premises considered, the Decision dated 31 May 2012 and the Order dated 23 October 2012 of the Regional Trial Court (RTC), Branch 155, Pasig City are hereby AFFIRMED IN TOTO. Costs against the petitioners.

SO ORDERED.

Reyes, Jr., (Chairperson) and Lopez, JJ., concur.

[1] Filed under Rule 42 of the 1997 Rules of Civil Procedure; Rollo, pp. 17-53.

[2] Rollo, pp. 9-12.

[3] Rollo, p. 8.

[4] Rollo, pp. 60-61.

[5] Rollo, pp. 60-69.

[6] Rollo, p. 68.

[7] Supra, note 2.

[8] Rollo, p. 59.

[9] Supra, note 3.

[10] Supra, note 1.

[11] Rollo, p. 30.

[12] *People v. Mariano*, G.R. No. L-40527, June 30, 1976, 71 SCRA 600, 604.

[13] The Judiciary Reorganization Act of 1980.

[14] *Sumulong v. Court of Appeals*, G.R. No. 108817, May 10, 1994, 232 SCRA 372, 383.

[15] *Huibonhoa vs. Court of Appeals*, 320 SCRA 625 (1999); *Hilario vs. Court of Appeals*, 260 SCRA 420 (1996).

[16] *Pharma Industries, Inc. vs. Pajarillaga*, 100 SCRA 339 (1980).

[17] *Javelosa vs. Court of Appeals*, 265 SCRA 493 (1996); *Sumulong vs. Court of Appeals*, 232 SCRA 372 (1994).

[18] *Munoz v. Court of Appeals*, G.R. No. 102693, September 23, 1992, 214 SCRA 216.

[19] *Canlas v. Tubil*, G.R. No. 184285, September 25, 2009, 601 SCRA 147, 159.

[20] *Soriente v. Estate of the Late Arsenio E. Concepcion*, G.R. No. 160239, November 25, 2009, 605 SCRA 315, 329.

[21] *Ibid.*

[22] *Union Bank of the Philippines v. Concepcion*, G.R. No. 160727, June 26, 2007.

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