CORAZON SONGCO, PETITIONER, VS. CITYSTATE CENTRE CONDOMINIUM CORPORATION, RESPONDENT.

Ponente: CORALES, J.

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CORALES, J.:

This is a Petition for Review[1] under Rule 42 of the Rules of Court assailing the June 16, 2010 Decision[2] and April 10, 2012 Order[3] of the Regional Trial Court (RTC), Branch 157, Pasig City in Civil Case No. 71742. The assailed decision affirmed the May 16, 2008 Decision[4] of the Metropolitan Trial Court (MeTC), Branch 69, Pasig City which directed petitioner Corazon Songco (Songco) to pay respondent Citystate Centre Condominium Corporation (Citystate) the amount of P143,887.62 plus legal interest and dismissed Songco's compulsory counterclaim for damages. The challenged order denied Songco's subsequent motion for reconsideration.

The Antecedents

This case stemmed from a complaint for sum of money filed by Citystate against Songco before the MeTC. The respective allegations of the parties, as culled from the RTC Decision, are as follows:

> x x x
>
> On April 2001, plaintiff [Citystate] accommodated defendant [Songco] to occupy a 216 square meter space at the 7[th] floor of Citystate Condominium Corp., which serves as the buildings dining place/ cafeteria with a monthly rental of Php3,699.00. As a tenant and occupant in the building defendant [Songco] is required to pay a monthly rental, association dues, charges and expenses for electricity, water and other utilities. In accordance to their agreement, defendant [Songco] made monthly payments to the plaintiff starting April 2001 to August 2003. However, from September 2003 to May 2004, defendant [Songco] began defaulting on her obligation. Despite repeated demands, defendant [Songco] failed and refused to pay her obligation which amounted to Php143,887.62. On June 2004, defendant [Songco] suddenly vacated the premises without notifying the plaintiff.
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> x x x
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> In its Answer, defendant [Songco] alleged that there is no contract or agreement between her and plaintiff [Citystate] regarding her tenancy or occupancy of the subject premises. She was only tasked by Ambassador Antonio Cabangon-Chua, a major owner of plaintiff [Citystate] corporation, to oversee the management and operation of the cafeteria, which he owns. As an overseer, she never paid any rentals, dues, charges and expenses for electricity, water and other utilities.
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> By way of its special and affirmative defenses, defendant [Songco] alleged that the complaint stated no cause of action and the plaintiff [Citystate] has no cause of action against herein defendant [Songco]. There is no valid and binding contractual relation or agreement between plaintiff [Citystate] and defendant [Songco] who is only an overseer, agent or manager of the canteen owner, Ambassador Antonio Cabangon Chua, hence, defendant [Songco] has no liability to plaintiff [Citystate].
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> x x x
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> Plaintiff [Citystate] in its Reply and Answer to Counterclaims (Re: Defendant's Answer dated 19 July 2006)

> posits that even in the absence of a written contract, defendant [Songco] is still obliged to pay plaintiff [Citystate] rentals, association dues and utilities concomitant to her having taken over the management and operation of the cafeteria. The parties had an innominate contract do ut des which is a valid obligation wherein plaintiff [Citystate] allowed and gave defendant [Songco] the privilege to operate and manage the cafeteria and appropriate to defendant [Songco] the income and profit thereon, in exchange for the payment by the defendant [Songco] of the condominium dues, rental fees and the utility bills attendant to such use and management.
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> x x x
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> In its Memorandum of Appeal dated September 16, 2008, defendant [Songco] alleges that this case arose when Ambassador Antonio Cabangon Chua, the principal and major stockholder of plaintiff-appellee [Citystate] had a falling out with defendant-appellant's daughter Catherine Songco.
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> x x x
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> Sometime in 2004, around the first quarter, Ambassador Chua and defendant-appellant's daughter Catherine Songco's relationship went sour and they had a falling out. As a consequence, a flurry of cases were filed by one against the other, including this instant case. Defendant-appellant [Songco] was also barred from entering the premises of Citystate Centre Condominium. She was not even given the chance to retrieve her personal belongings which were left inside the premises of the canteen. More surprising, was when she learned that a case was also filed against her.
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> x x x

The Rulings of the MeTC and RTC

In its May 16, 2008 Decision,[5] the MeTC ruled that there exists an innominate cont ract of do ut des between Citystate and Songco. It did not give credence to Songco's claim that the condominium's canteen was owned and operated by Ambassador Antonio Cabangon Chua (Chua) and she was a mere cook, overseer, and general manager therein. It found that Songco occupied the canteen, paid the rentals and utilities from April 2001 to August 2003, and appropriated the income of the canteen for her own benefit because there is no evidence showing that she remitted the same to Citystate or Chua. On the basis of the innominate contractual obligation and the general principle of unjust enrichment, the MeTC held that Songco is obliged to pay the rentals and other utilities for the use and enjoyment of the subject premises in Citystate. It disposed the case as follows:

> WHEREFORE, premises considered, the court finds for the plaintiff, ordering the defendant to pay the amount of 143,887.62 plus legal interest to be reckoned from the date of filing of the present case up to full payment to the plaintiff. The counterclaim is hereby dismissed for lack of merit.
>
> SO ORDERED.

On appeal, the RTC, through its June 16, 2010 Decision,[6] sustained the findings of the MeTC. It stressed that Songco was the actual occupant of the subject premises and the same redounded to her benefit because it augmented her income, thus, she cannot now claim that she was merely an overseer of the canteen and refused payment of her obligation; otherwise, it would constitute unjust enrichment under Article 22 of the New Civil Code (NCC). It upheld the existence of facio ut des (I do and you give) and added that Songco's occupation and use of the premises also gave rise to a do ut facias (I give that you may do), which are innominate contracts governed by the most analogous nominate contracts as stated in Article 1307 of the NCC. The dispositive portion of the RTC's Decision reads:

> WHEREFORE, foregoing premises considered, the assailed decision of the Metropolitan Trial Court Branch 69, Pasig City dated May 16, 2008, is herebey affirmed in toto.

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SO ORDERED.

Songco sought reconsideration but the RTC denied the same through its April 10, 2012 Order.[7]

Hence, the present petition for review with this lone assigned error:[8]

> THE RTC COMMITTED A GRAVE AND REVERSIBLE ERROR IN DENYING THE MOTION FOR RECONSIDERATION AND IN UPHOLDING THE FINDING OF THE MTC THAT PETITIONER IS LIABLE TO THE RESPONDENT ON ACCOUNT OF A SUPPOSED INNOMINATE CONTRACT.

Songco faults the MeTC and the RTC for construing as an innominate contract the accommodation granted to her by Chua. She insists that Chua designated her as the overseer of the canteen because she is the mother of his common-law partner but the ownership and business operation of the canteen still pertain to Chua and his family through Citystate, and the rentals as well as utility bills were paid by Chua through his various companies. She points out that the billing statements attached to the complaint were simply addressed to “Cafe and Restaurant”, not to her, while the receipts for the alleged rentals were made by ALC Fortune Corp., a company owned by Chua and his family.[9]

Citystate failed to file its Comment on the petition despite due notice.[10]

This Court’s Ruling
The petition fails to persuade Us.

Indisputably, Songco used the subject premises of Citystate and rentals and utility bills were paid for the months of April 2001 up to August 2003. She insisted that she was a mere “overseer”, “manager”, and “supervisor” of the canteen and ownership and business operation still pertain to “Chua through Citystate”.[11] However, We do not find any preponderance of evidence to support Songco's claims. As aptly held by the MeTC, there is no showing that Songco remitted the canteen's earnings either to Chua or Citystate. Further, Songco's admissions that her income was augmented through the accommodation given by Chua and she brought several personal cooking items and implements to be used in the canteen[12] militate against her claim that she was a mere “overseer”, “manager”, or “supervisor”. In the ordinary course of business, supervisors do not use their personal money for the needs of the establishment. Given these circumstances, We are behooved to agree with the MeTC and the RTC that Songco was the actual occupant and business operator of the canteen.

Even if the Court accepts Songco's argument that Chua paid Citystate the rentals and utility bills as part of the accommodation given to her, the same would not relieve her from liability for unpaid rents for the months of September 2003 to May 2004. It bears stressing that Chua, the alleged majority stockholder of Citystate, has a separate personality from the condominium corporation. Thus, any concession given by Chua to Songco does not necessarily bind Citystate. It follows that when Chua paid for the rents, in effect, he became a lessee of Citystate. However, when the rentals for September 2003 to May 2004 were not paid by Chua but Citystate still allowed Songco to stay in the premises and operate the canteen, an innominate contract akin to lease was created between Songco and Citystate and their relationship would be governed by the general provisions of lease. Accordingly, even in the absence of a written contract between Citystate and Songco, the latter is obliged to pay the rents due considering that she was the actual occupant of the premises and she benefited from its use.

Also, both the MeTC and the RTC properly applied the principle of unjust enrichment. This doctrine essentially contemplates a situation where a person unjustly retains a benefit to the loss of another, or when a person retains money or property of another against the fundamental principles of justice, equity, and good conscience.[13] In this case, it is just and equitable to order Songco to pay Citystate the unpaid rents and utility bills for the months of September 2003 to May 2004 considering her actual use of the premises and admission that her income was

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augmented by the operation of the said canteen.

WHEREFORE, the instant petition for review is hereby DENIED. The June 16, 2010 Decision and April 10, 2012 Order of the Regional Trial Court, Branch 157, Pasig City in Civil Case No. 71742 are AFFIRMED in toto.

SO ORDERED.

Villon, M. J., Chairperson and Zalameda, JJ., concur.

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[1] Rollo, pages 18-30.

[2] Penned by Pairing Judge Nicanor A. Manalo, Jr., ibid., pages 36-46.

[3] Ibid., page 35.

[4] Penned by Acting Presiding Judge Jacqueline J. Ongpauco, ibid., pages 47-48.

[5] Supra, at note 4.

[6] Supra, at note 2.

[7] Supra, at note 3.

[8] See Petition for Review, supra, at note 1.

[9] Ibid.

[10] See Our March 18, 2014 Resolution, rollo, page 96.

[11] See page 4 of the Petition, supra, at note 1.

[12] See paragraph 17 of the Petition, ibid.

[13] See Reyes v. Lim, G.R. No. 134241. August 11, 2003.

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