

AMERICAN FAR EASTERN SCHOOL OF AVIATION, INC., PLAINTIFF AND APPELLANTS VS. AYALA Y COMPANIA, DEFENDANT AND APPELLEE.

G. R. No. L-2376. June 27, 1951

Ponente: REYES, J.

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REYES, J.:

This is an appeal by certiorari from a decision of the Court of Appeals.

The parties are in agreement on the following statement of facts in the decision appealed from:

"On March 20, 1936 the defendant appellant Ayala y Compania, hereinafter referred to as AYALA, leased to the plaintiff appellee American Far Eastern School of Aviation, Inc., hereinafter referred to as AFESA, a parcel of land situated in San Pedro Makati, Rizal, 'for a period of TEN (10) years, commencing from February 15, 1936 (Exhibit 4). On November 20 of the same year the same parties signed a second contract of lease over the said property and two other adjoining parcels of land 'for a period of NINE YEARS AND THREE MONTHS, commencing from November 15, 1936.' (Exhibit 3). On March 15, 1937 the same parties executed a third contract of lease with reference to the three parcels of land subject matter of the two previous contracts, and a fourth parcel, 'for a period of EIGHT YEARS AND ELEVEN MONTHS, commencing from March 15, 1937,' (Exhibit A).

"There is no question that on the respective dates of execution of said contract AFESA took possession of the parcels of land subject matter thereof. Neither is it disputed that AFESA'S purpose was to use the leased premises to establish therein an aeronautical school and an airport, both of "which were in fact established and operated until August, 1941 when the leased premises were subleased, with the consent of AYALA to the United States Army to be used as a military airfield.

"AFESA paid the stipulated rents up to and including November, 1941. As a result of the invasion of the Philippines by Japan, however, the Japanese Army took possession of the leased properties on or about January 2, 1942 and remained in full possession thereof until February 15, 1945. Upon the liberation of Manila and the surrounding¹ areas on or about the latter date, the United States Army—without any previous contract of lease—occupied the leased properties and remained in possession thereof up to February 15, 1946. It appears, however, that before February 1946 the corresponding contract with AFESA was duly executed (Exhibit 1).

"It is not disputed that the rent for the month of December, 1941 has not been paid by AFESA to AYALA. Neither has AFESA paid nor offered to pay up to his date any rental corresponding either to the time during which the leased premises were occupied by the Japanese Army or to the time during which they were occupied by the United States Army beginning from February 15, 1945 up to the expiration of the agreed period of ten years' on February 15, 1946.

"AFESA brought the present action on December 20, 1946 upon two causes of action, one for specific performance with reference to the contract of lease Exhibit A, and another for accounting, the specific relief sought therein being as follows:

'(1) To turn over and restore possession of the property leased to the plaintiff per the lease contract, Appendix "A", for a period of three years, one month and fifteen days, to be counted from the time the defendant actually delivers possession of the property to the plaintiff and the said plaintiff resumes peaceful use and possession thereof;

'(2) To render an accounting to the plaintiff of the income of the leased property in question from the time said defendant unlawfully reoccupied the property and used it as an airfield up to the time it delivers to the plaintiff the use and possession thereof;

'(3) To deliver and pay to the plaintiff all the income, profit and benefit derived from the said airport from the time of the defendant's unlawful possession thereof until its use and occupation is turned over to the plaintiff;

'(4) To pay the costs of suit.'

"Ayala's answer to the complaint alleged that the contract sought to be enforced having expired and AFESA having violated the contract of lease by subleasing the premises in February 1945 to the United States Army without the written consent of AYALA, the former was not entitled to any one of the reliefs sought in its complaint. By way of counterclaim AYALA also sought to recover from AFESA the rents due and unpaid amounting to a total of P15,194.88 corresponding to the period from November 15, 1941 to February 15, 1946. After trial the lower court rendered judgment whose dispositive part is as follows:

IN VIEW OF ALL THE FOREGOING, the Court renders judgment in favor of the plaintiff and against the defendant ordering the latter to perform its part of the obligation stipulated in the lease contract Exhibit "A" by immediately restoring the plaintiff in possession of the leased property and maintain the same in the peaceful enjoyment of the lease for a period of three (3) years, one (1) month and thirteen (13) days. Costs against the defendant.'" (See decision CA, pp. 48-52, Brief for appellant.)

On appeal to the Court of Appeals the above judgment of the Court of First Instance was reversed and another judgment was ordered entered,—

"dismissing AFESA'S complaint and sentencing the latter to pay AYALA the unpaid rent corresponding to the period of from December 1, 1941 to January 2, 1942 and from February 15, 1945 to February 15, 1946 at the rate stipulated in the contract of lease Exhibit A, plus an additional sum of five hundred pesos (P500) as attorney's fees. No special pronouncement as to costs."

From this judgment AFESA has appealed to this Court.

There is no disputing the fact that by its terms the lease here in question was to expire on February 25, 1946, for it specifically stipulated that it was to be "for a period of TEN (10) years, commencing from February 15, 1936" (the date of the first contract) or "EIGHT YEARS AND ELEVEN MONTHS, commencing from March 15, 1937" (the date of the last contract).

Appellant, however, contends that under Article 1554 of the old Civil Code the lessor is under obligations to maintain the lessee in the peaceful enjoyment of the lease during the entire term of the contract, and as the lessor in the present case was not able to comply with that obligation during the time the leased property was occupied by the Japanese Army—from January 2, 1942 to October 15, 1945—this period should not be counted against the lease.

As stated by the Court of Appeals, the issue is "whether or not because the Japanese occupied the leased premises from January 2, 1942 until February 15, 1945, AFESA is entitled to have the term stipulated in the contract of lease with AYALA extended by an equivalent period beyond the expiration date thereof." This issue was new at the time the present case arose; but it has since then been the subject of adjudication in this Court and needs no further discussion. Suffice it to refer to the case of *Lo Chinget al. vs. Court of Appeals et al.* (81 Phil., 601; Vol.

46, No. 1 [Supp.] Off. Gaz., p. 399), where that same issue was squarely decided. That case involved the lease of a building for a term of three years to be reckoned from September 1, 1940, with option to extend it for two years more, so that, with the extension included, the lease was due to expire on August 31, 1945. But in February, 1942, the lessee's possession of the leased property was interrupted, for on that day Japanese soldiers ousted them from the building and turned it over to a German, who stayed there until the lessees resumed possession in January, 1945. Required to vacate the property after the expiration of the term fixed in the lease contract, the lessees contended that as they were deprived of possession from February 1942 to January, 1945, this period should not be counted against the lease. Overruling the contention, this Court held that deprivation of possession such as that effected by the Japanese soldiers in that case was an act of mere trespass which, as provided in article 1560 of the old Civil Code, did not render the lessor liable to the lessee, the latter's right of action being directly against the trespasser. Said the Court:

"Es evidente que los arrendatarios tienen perfectísimo derecho de ocupar la finca por todo el tiempo del arrendamiento y no solamente por tres años sino por cinco, de acuerdo con los dos plazos convenidos, y en efecto la recibieron del arrendador y establecieron en ella un negocio de hotel, y que tuvieron el pleno uso y goce de la finca antes de ser echados por los japoneses. Aun más, el arrendador está obligado a mantener a los arrendatarios en el goce pacífico del arrendamiento por todo el tiempo del contrato (Artículo 1554, párrafo 3, Código Civil). Pero esta obligación no llega hasta el extremo de defender a los arrendatarios de las depredaciones de las hordas invasoras. Esto está fuera del poder material y de la obligación legal del arrendador. Suponiendo, por un momento, que antes de estallar la guerra, un fresco se hubiera introducido clandestinamente en una habitación del hotel de los recurrentes y que a pesar de los requerimientos no hubiera querido desalojarla, estaba obligado el arrendador a echar de la finca al detentador? Ese intruso no fue detentador de la propiedad o de la finca sino detentador de la posesión, del goce pacífico del arrendatario. No ocupaba la habitación con pretensiones de dominio: solo quería ocupar ilegal o gratuitamente la habitación. Los arrendatarios debían dirigir su acción contra el detentador que invadía su derecho de posesión, que el propietario no tenía nada que responder.

"Solamente responde el propietario si el que perturba la posesión alega título sobre la propiedad. Si un tercero, alegando haber comprado la finca del arrendador, desea echar a los arrendatarios, estos pueden exigir al arrendador que los defienda. La obligación del arrendador de garantizar el goce pacífico no es en todos los casos: solamente en aquellos en que el título de la finca tenga algo que ver con la perturbación, cuando se trata de perturbación de derecho. Cuando una persona por medio de una acción judicial desea privarles de la posesión de la finca a los arrendatarios, el arrendador está obligado a defenderles. Así dispone el artículo 1560 del Código Civil: 'El arrendador no está obligado a responder de la perturbación de mero hecho que un tercero causare en el uso de la finca arrendada; pero el arrendatario tendrá acción directa contra el perturbador. * * *.'

"* * *. La privación de posesión de los arrendatarios por los soldados japoneses fue una simple perturbación de mero hecho y de la cual no responde el arrendador, según disposición expresa del artículo 1560 del Código Civil. Eajo ningún concepto debe descontarse, por tanto, el período de ocupación ilegal de Otto Schulze, del término de arrendamiento convenido por las partes.

"* * *

"En apoyo de la teoría de que el Tribunal puede extender el plazo de la ocupación de la finca por los arrendatarios a un período de tiempo equivalente al tiempo en que fueron privados de la posesión por el ejército japonés, los recurrentes invocan la Ley No. 720 del Commonwealth que dispone la prórroga del plazo dentro del cual se puede efectuar; realizar o cumplir cualquier término, condición o estipulación expresada en las concesiones minerales, forestales y de terrenos públicos. Sin esta ley, toda extensión del plazo sería ilegal: los términos de la concesión son inflexibles y deben ser cumplidos. En el caso presente, la ley entre las partes es el contrato de arrendamiento Exhibito C. Si el arrendador no se allana a conceder un tercer plazo, por tácita reconducción o expresamente, el desahucio de los recurrentes es forzoso.

"Los recurrentes sostienen que en el caso presente el Tribunal es el que debe conceder el plazo adicional de acuerdo con el artículo 1124 del Código Civil. Esta contención es errónea. El Tribunal no es el arrendador o agente del arrendador; por tanto, no puede extender el plazo de arrendamiento en contravención de los términos precisos del Exhibito C. El arrendador o el Arzobispo de Manila, como el Gobierno en el asunto de las concesiones minerales, forestales y minerales, es el que puede conceder otro plazo y no el Tribunal."

The above disposes of the main issue in this case. Appellant, however, contends that the Court of Appeals erred in holding it liable for the rentals corresponding to the period from December 1, 1941, to January 2, 1942, and from February 15, 1945 to February 15, 1946, as well as for attorney's fees "without first restoring said appellant to the possession of the premises." Having arrived at the conclusion that appellant is no longer entitled to the possession of the premises because its lease has already expired, we find the contention to be without merit.

Wherefore, the decision appealed from is affirmed, with costs against the appellant.

Paras, C. J., Feria, Pablo, Bengzon. Padilla. Tuason Jugo and Bautista Angelo, JJ., concur.

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