

CLERESSA B. ABELLA, PETITIONER, V. MALINTA WET AND DRY MARKET, RESPONDENT.

Ponente: LANTION, J.A.C., J.

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LANTION, J.A.C., J.:

Before Us is a Petition for Review[1] under Rule 42 of the Rules of Court seeking to set aside the Decision[2] dated 11 December 2008 of the Regional Trial Court (RTC) of Valenzuela City, Branch 75 and Joint Order[3] dated 30 July 2013 of the Regional Trial Court of Valenzuela City, Branch 270 in Civil Case No. 201-V-04 (Ejectment).

FACTUAL ANTECEDENTS

Respondent Malinta Wet and Dry Market (“Malinta Market”) is a privately owned and operated wet and dry market, which business includes, among others, leasing market stalls within its premises. It was established by its owner, Fernando A. Razon, by virtue of a franchise, Kautusan Blg. 94-114 Year 1994, issued by the local government of Valenzuela City under the business name and style Family Market and Shopping Center. Its franchise was thereafter amended by Kautusan Blg. 19 Year 2002 adopting the name Malinta Wet and Dry Market.[4]

On the other hand, petitioner Abella is the lessor of several stalls of Malinta Market.[5]

In October 2012, Malinta Market filed a Complaint[6] for Ejectment against Abella before the Metropolitan Trial Court of Valenzuela City, Branch 81 (“MeTC of Valenzuela City”) alleging as follows:

“8. That the defendant [Abella] leases and occupies the said stalls under the express obligation of paying a daily rent of PHP315.00 plus expenses likewise payable on a daily basis based on the Contract of Lease she signed with herein plaintiff.

9. That under the said Contract of Lease particularly Paragraph 20 (a) thereof, it is stated among others that the lessor shall have the right to rescind and terminate the contract in the event of failure on the part of the lessee to pay the rental for a period of three (3) days.

10. That the defendant had continuously failed to pay her daily rental for a period of more than three (3) days. In fact starting from the the time that defendant had executed the latest contract of lease with herein plaintiff the former had continuously failed to pay her rental and expenses up to the present.

11. On various dates, herein plaintiff reminded defendant of her obligation to pay her rentals.

12. On 13 January 2003, herein plaintiff sent a demand letter to the plaintiff to pay her rental arrears. Copy of the demand letter is attached herewith as Annex “E” to form as an integral part hereof. Although the demand letter was shown to plaintiff she refused to sign to acknowledge receipt thereof.

xxx

14. Despite said demands, defendant still failed to make payments of her rental arrears.

15. On 1 February 2003, herein plaintiff sent a Notice of Eviction to defendant demanding that she vacates (sic) the plaintiff's market stalls that she is currently occupying. xxx

16. That despite said notice to vacate, defendant continuously fails to vacate said stalls without legal basis. Moreover, defendant continuously fails to pay any rentals and expenses to herein plaintiff.

17. That defendant's arrears in rent as of 18 March 2003 is PHP37,640.00. The same, to date, has not yet been paid together with the rent for the period of 18 March 2003 up to the present. xxx”

Ultimately, Malinta Market prayed that a judgment be rendered ordering Abella to vacate and surrender the leased stalls and pay the arrears of overdue rent.[7]

For her part, Abella filed her Answer[8] alleging that she had been religiously paying her daily rentals to Malinta Market and arguing that the latter failed to exhaust the available administrative remedy, viz:

“9. Under the 1993 Market Code of Valenzuela, the awarding of stall and cancellation thereof shall be conducted by the Market Committee. Any action to cancel the award of the stall to any stallholder from its stall, should first be filed with the Market Committee for adjudication. This is an administrative remedy which plaintiff failed to exhaust.”

After a further exchange of pleadings between the parties, the MeTC of Valenzuela City rendered its Decision[9] dated 01 July 2004 in favor of Malinta Market, ruling as follows:

“WHEREFORE, in view of the foregoing, judgment is rendered as follows:

1. Ordering defendant Cleressa Abella and all persons claiming rights under her to vacate the subject premises located at Fish Section Stall Nos. 135, 136, 163 and 164 of Malinta Wet and Dry Market located along Malinta Interchange, Paso de Blas, Valenzuela City and restore possession thereof to the plaintiff.
2. Ordering the defendant to pay the amount of P105.00 each stall per day as reasonable rental for the use and occupation of the property from December 4, 2002 until the subject premises is vacated and surrendered to the plaintiff.
3. Ordering the defendant to pay P10,000.00 as reasonable attorney's fees plus costs of suit.

SO ORDERED.”

Dissatisfied, Abella interposed an appeal before the RTC of Valenzuela City, Branch 75. However, the assailed Decision[10] dated 11 December 2008 affirmed the Decision dated July 1, 2004 of the MeTC of Valenzuela City, the dispositive portion of which provides:

“WHEREFORE, finding no reversible error in the decision of the Metropolitan Trial Court of Valenzuela City, Branch 81, the same is hereby AFFIRMED in toto with costs against the defendant-appellant.

SO ORDERED.”

On 16 February 2009, Abella moved for the reconsideration of the Decision dated 11 December 2008.[11] Thereafter, the instant case was re-raffled to the Branch 270 of RTC of Valenzuela City which rendered the assailed Joint Order[12] dated 30 July 2013 dismissing Abella's motion for reconsideration for lack of merit.

Hence, this petition.

ISSUE

Petitioner raises this lone issue:

WHETHER THE REGIONAL TRIAL COURT OF VALENZUELA CITY, BRANCH 75, GRAVELY ERRED IN AFFIRMING THE DECISION OF THE METROPOLITAN TRIAL COURT IN VALENZUELA CITY, BRANCH 81.[13]

THIS COURT'S RULING

Petitioner Cleressa Abella contends that the RTC of Valenzuela City, Branches 75 and 270 gravely erred in affirming the ruling of the MeTC of Valenzuela City and denying her motion for reconsideration.

The instant petition has no merit.

Doctrine of exhaustion of administrative remedies is not applicable

Abella contends that under the 1993 Market Code of Valenzuela City, Malinta Market should have resorted first to the market committee of Valenzuela City before filing its Complaint. Thus, she posits that the Complaint “should have been dismissed for want of jurisdiction” and for Malinta Market's failure to exhaust an administrative remedy.[14]

Petitioner Abella's contentions are without merit.

The doctrine of exhaustion of administrative remedies requires that before a party may be allowed to seek the intervention of the court, he or she should have availed himself or herself of all the means of administrative processes afforded him or her. Hence, if resort to a remedy within the administrative machinery can still be made by giving the administrative officer concerned every opportunity to decide on a matter that comes within his or her jurisdiction, then such remedy should be exhausted first before the court's judicial power can be sought.[15]

Here, the pertinent provision of the 1993 Market Code of the Valenzuela City (“Market Code”) provides that:

Chapter IV

Awarding of Stalls and Cancellation of Awards

Section 1 – Market Committee – There is hereby created a permanent market committee composed of the Municipal Mayor as Chairman, xxx whose duties are:

- a) To conduct the drawing of lots and opening of bids for the adjudication of vacant or newly constructed stalls or booths in the public markets;
- b) To certify to the Municipal Mayor the results thereof;
- c) To make a study of the transfer of stallholders from one section to another or from one stall to another;
- d) To make a study of all phases of market matters and to submit, comment on and recommend such study to the Municipal Mayor and;
- e) To inspect and examine books of accounts and operation of any public market.

Apparently, the Market Code enumerated each and every duty of the market committee but the same is silent as to the latter's power to hear and decide cases involving market stalls. It is not even granted the authority to cancel any award of stalls. Generally, the power to hear and decide cases is ordinarily vested upon the regular courts,

unless the law permits an agency of the government to perform quasi-judicial functions. Judicial or quasi-judicial-function involves the determination of what the law is, and what the legal rights of the contending parties are, with respect to the matter in controversy and, on the basis thereof and the facts obtaining, the adjudication of their respective rights. In other words, the tribunal, board or officer exercising judicial or quasi-judicial function must be clothed with power and authority to pass judgment or render a decision on the controversy construing and applying the laws to that end.[16] Absent any enabling statute clearly conferring it with power or authority to pass judgment or render a decision, the market committee is bereft of any quasi-judicial powers.

It should also be stressed that this Court perused the entire Market Code[17] but nowhere can it be found that exhaustion of administrative remedy is available to Malinta Market for the alleged failure of Abella to pay her arrears before seeking redress before the courts. Thus, the doctrine of exhaustion of administrative remedy is not applicable in the case at bar and the Complaint should not be dismissed for want of jurisdiction.

On the contrary, Section 33, paragraph (2) of Batas Pambansa (B.P) Blg. 129 is explicit:

Metropolitan Trial Courts, Muncipal Trial Courts and Municipal Circuit Trial Courts in Civil Cases shall exercise:

x x x

Exclusive original jurisdiction over cases of forcible entry and unlawful detainer: x x x

Under B.P 129, as amended by Republic Act No. (RA) 7691, the MTC shall have exclusive original jurisdiction over cases of forcible entry and unlawful detainer. The Revised Rule on Summary Procedure (RSP) governs the remedial aspects of such suits.[18]

Moreover, jurisdiction is determined by the allegations in the complaint. This is basic. Unquestionably, petitioner lodged an action for ejectment before the MTC. Under BP 129, the allegations in the complaint conferred initiatory jurisdiction on that first level court.[19] Thus, the MeTC Valenzuela City had jurisdiction to entertain the instant complaint.

The demand letters and Notice of Eviction satisfied
the requirements under Section 2, Rule 70 of the Rules of Court

Abella further argues that the demand letter sent by Malinta Market did not satisfy the requirements under Section 2, Rule 70 of the Rules of Court. She contends that even if the market committee has no authority over Malinta Market, the Complaint should have been dismissed for the latter's failure to send to her a letter demanding her both "to pay rent and to vacate".

Petitioner Abella's argument fails to impress.

In essence, an action for unlawful detainer exists when a person unlawfully withholds possession of any land or building against or from a lessor, vendor, vendee or other persons, after the expiration or termination of the right to hold possession by virtue of any contract, express or implied. Possession by a party was originally legal, as it was permitted by the other party on account of an express or implied contract between them. However, the possession became illegal when the other party demanded that the possessor vacate the subject property because of the expiration or termination of the right to possess under the contract, and the possessor refused to heed the demand.[20]

It is important that a valid demand must be made as the same is jurisdictional in nature. The one-year prescriptive period for filing a case for unlawful detainer is tacked from the date of the last demand, the reason being that the

other party has the right to waive the right of action based on previous demands and to let the possessor remain on the premises for the meantime.[21]

Section 2, Rule 70 of the Rules of Court speaks of two demands that may be made in the same demand letter, namely, (1) the demand for payment of the amounts due the lessor, or the compliance with the conditions of the lease, and (2) the demand to vacate the premises. These demands, of course, are not intended to be complied with at the same time; otherwise, the provision becomes contradictory as it is pointless to demand payment or compliance if the demand to vacate is already absolute and must be heeded at the same time as the demand to pay or to comply. It is only after the demands for payment or compliance are made on the lessee and subsequently rejected or ignored that the basis for the unlawful detainer action arises.[22]

In this case, this Court notes that Abella did not dispute in the instant Petition for Review the existence of a contract of lease between her and Malinta Market involving the occupancy of several market stalls owned by the latter. She likewise did not dispute her failure to pay her arrears. What is being questioned here is the validity of the demand letters sent by Malinta Market to her.

Records show that Malinta Market sent demand letters dated 13 January 2003 and 28 January 2003 to Abella. The letter dated 28 January 2003 states:

“Kayo po ay muli naming pinaalamanan tungkol sa inyong pagkakautang (as of January 28, 2003) ay umabot na sa halagang PhP20,740.00 kumapara sa halagang PhP14,430.00 (as of January 12, 2003) simula pa noong Disyembre 4, 2002.

xxx

Ikinakalungkot po naming iparating sa inyo, na kung sakali at ito ay hindi ninyo nasunod ang pamunuan ay mapipilitang magbigay na ng Notice of Eviction sa Pebrero 1, 2003 at tuluyan ng paupahan sa iba ang inyong tatlong (3) pwesto.”

In addition to said letters, Malinta Market also sent to Abella Notice of Eviction dated 1 February 2003 informing the latter that the said notice is Malinta Market's final demand to Abella to vacate the market stall for her failure to pay her rent, viz:

“Please consider this as our final demand for you to vacate Fish Section Stall Nos. 135, 136, 163 and 164.

xxx despite your continued stay in said stalls, you have failed and continuously fail to pay daily rentals and expenses for security, water and electricity despite repeated demands.

As such, you are given FIVE (5) DAYS from receipt of this notice to leave and vacate Stall Nos. 135, 136, 163 and 164 voluntarily. xxx”

The foregoing demand letters and Notice of Eviction sent by Malinta Market to Abella sufficiently comply with the requirements of Section 2, Rule 70 of the Rules of Court. After Abella's failure to pay her rent, Malinta Market sent the above-mentioned letters to the former demanding her to pay the rent due and vacate the market stalls. Thus, Malinta Market validly instituted an action for unlawful detainer against Abella when the latter was unable to pay her arrears.

WHEREFORE, premises considered, the instant Petition for Review is DISMISSED. The Decision dated 11 December 2008 of the Regional Trial Court of Valenzuela City, Branch 75 and Joint Order dated 30 July 2013 of the Regional Trial Court of Valenzuela City, Branch 270 in Civil Case No. 201-V-04 (Ejectment) are AFFIRMED.

SO ORDERED.

Veloso (Chairperson) and Antonio-Valenzuela, JJ., concur.

- [1] Rollo, pp. 11-27.
- [2] Penned by Judge Trinidad L. Dabbay; Rollo, pp. 28-34.
- [3] Penned by Judge Evangeline M. Francisco; Rollo, pp. 36-38.
- [4] Rollo, p.12.
- [5] Rollo, p. 12.
- [6] Rollo, pp. 39-44.
- [7] Ibid.
- [8] Rollo, pp. 65-68.
- [9] Rollo, pp. 166-170
- [10] Rollo, pp. 28-35.
- [11] Rollo, pp. 264-273
- [12] Rollo, pp. 36-38.
- [13] Rollo, p. 13.
- [14] Supra.
- [15] Maglalang vs. PAGCOR, G.R. No. 190566, December 11, 2013.
- [16] Villanueva vs. Palawan Council For Sustainable Development, G.R. No. 178347, February 25, 2013.
- [17] Rollo, pp. 275-290.
- [18] Rivera vs. Santiago, et al., G.R. No. 146501, August 28, 2003.
- [19] Ibid.
- [20] Mirallosa vs. Carmel Development, Inc., G.R. No. 194538, November 27, 2013.
- [21] Ibid.
- [22] Cebu Automatic Motors vs. General Milling Corp., G .R. No. 151168, August 25, 2010.

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