

**ERLINDA BARRERAS WITH HER HUSBAND AND DOLORES MILLAN,
PETITIONERS, VS. HON. GREGORIO N. GARCIA, PRESIDING JUDGE,
CITY COURT OF MANILA, BRANCH I, FORTUNATO G. TIMAN, AND
SHERIFF ...**

G.R. Nos. L-44715-16. January 26, 1989

Ponente: SARMIENTO, J.

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SARMIENTO, J.:

On August 18 and 20, 1975, private respondent Fortunato G. Timan and his spouse, Lydia Timan, filed two complaints for illegal detainer separately against the petitioners Erlinda Barreras together with her unknown husband and Dolores Millan before the City Court of Manila, Branch I, presided over by the respondent judge, and docketed as Civil Cases Nos. 002795 and 002845, respectively. Both complaints were identical in their allegations except for the defendants' (herein petitioners) personal circumstances.

The two complaints allege that the private respondent and his spouse are the lawful owners of a two-storey house at 1953-A and 1953-B Oroquieta Street, Sta. Cruz, Manila, leased by petitioner Erlinda Barreras with her unknown husband and Dolores Milian, respectively. Both petitioners were informed that their leases would expire on June 30, 1975. The petitioners raised no objection but requested for an extension until July 31, 1975, free of charge. However, for failure of the petitioners to comply with the verbal agreement to vacate the leased premises as promised on July 31, 1975, the private respondent and his wife, through counsel, sent the petitioners two demand letters to vacate. Again, the petitioners failed to comply.

At the hearing of these cases, two identical Compromise Agreements were submitted by the parties, assisted by their respective counsels, and approved by the respondent judge. The Compromise Agreements[1] read:

1. That the plaintiffs hereby allow the defendants to continue to occupy the premises described in the complaint until May 31, 1976;
2. That in consideration of this Compromise Agreement defendant will pay the plaintiffs the amount of P250.00 a month beginning the month of September, 1975 as monthly rent for the reasonable use of the same, payable on or before the 10th day of each month;
3. That defendants will vacate the premises described in the complaint on May 31, 1976 and restore possession thereof to the plaintiffs;
4. That any violation of this agreement will entitle the plaintiffs to ask the Court for a writ of execution.

Accordingly, the respondent judge rendered two identical decisions on September 11, 1975, approving the Compromise Agreements and enjoining the parties to comply strictly and faithfully with all the terms and conditions therein set forth.

After almost a year from the decisions approving the Compromise Agreements and the parties complying with

their respective obligations, both petitioners filed their identical Amended Motions for Reconsideration dated September 4, 1976 each alleging that "such agreement and the resulting Decision thereof, is (sic) null and void in the beginning and the Court should have disallowed the same as the basis of the Decision, for it violates Section 4 of P.D. No. 20 which suspends the right of the lessor to judicially eject the lessee or tenant, under Art. 1673, N.C.C." They further contended that "the Compromise Agreement is false because it was consummated under duress and undue influence on the defendant herein just to ease out and railroad the termination of her case of ejectment." Finally, the petitioners alleged that "the Court, in issuing the Writ of Execution based on a Decision that is null and void, acted without or in excess of its jurisdiction or with grave abuse of discretion, as the question of jurisdiction cannot be conferred by the parties to the Court and/or be compromised." After, the private respondent's Opposition and Petitioners' Replies were filed, the respondent judge, on September 17, 1976, issued two Orders denying for lack of merit the aforementioned Amended Motions for Reconsideration.

On October 5, 1976, petitioners filed this petition with application for a prohibitory injunction against the respondents. On October 7, 1976, this Court issued in both cases Temporary Restraining Orders, "effective as of this date and continuing until otherwise ordered by the Court."

The private respondents admit in their joint Answer to the petition that "herein respondent Judge Gregorio N. Garcia issued the corresponding writs of execution on August 20, 1976, but with the qualification that said motions for execution were filed after about ELEVEN (11) MONTHS from the time that your private respondents Fortunato G. Timan, and petitioners have executed the aforementioned agreements." Further, the private respondents contend that the "said compromise agreements do not run counter to the suspension of action provided for under P.D. No. 20 as the complaints in the lower court were based on the illegal detainer of the premises in question by the petitioners after their rights of occupation thereof have expired."

It also appears that the petitioners accepted the refund of their two months deposit from the previous owner of the two premises in question. Further, the petitioners remain undisturbed in the leased premises pursuant to the compromise agreements. They likewise paid to the private respondents the sum of P250.00 a month from September, 1975 to May, 1976 in accordance with the agreements.

We dismiss the petition.

A compromise agreement is a valid contract between the parties thereto. Under Article 2028 of the Civil Code, it is a contract in which the parties in interest, by making reciprocal concessions, avoid a litigation or terminate one already commenced. When it is not contrary to law, morals, or public policy, the same may be approved by the court and a judgment be rendered in accordance therewith. The parties are thereby enjoined to comply faithfully with its terms and conditions. The approval of the compromise agreement by the court dismisses the case, or considers it closed.

The law, however, anticipates situations wherein the parties refuse to comply with the terms of a compromise agreement like in the herein cases. Clearly therefore, when a party fails or refuses to abide by the compromise, the other party may either enforce the compromise by a writ of execution, or regard it as rescinded and insist upon his original demand. Non-fulfillment of the terms of the compromise justifies execution.

Considering these established doctrines, the respondent judge did not commit grave abuse of discretion in issuing the disputed orders of execution. Indeed, the petitioners failed to comply with the terms of the compromise, leaving the private respondent with no other recourse except to apply for the writ of execution.

Invoking Section 4 of Presidential Decree No. 20, the petitioners would want this Court to declare the Compromise Agreements they entered into with the private respondents null and void as being contrary to law.

The ground posited has no legal basis. In *Sinclair vs. Court of Appeals*,^[2] we stated:

The provisions of PD 20 govern apartment-dwellers who are paying rentals not exceeding P300.00 a month. The decree mandates "the freezing of rentals for the lower income group at their present levels" in order that the rentals for the houses be stabilized. It is true that said decree was issued to alleviate the living conditions of those in need, owing to prevailing hard economic conditions. It should, however, not be applied indiscriminately even to the extent of depriving the owner of his property rights protected by the Constitution.

It is evident, the Court of First Instance applied the provisions of PD 20 in favor of petitioner mindless of the inequity produced thereby against the property owner whose right as such remains entitled to the guarantee or protection of the constitution over which PD 20 cannot prevail.

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It should also be stressed that PD 20 respects obligations of contract in obedience to the constitutional mandate that no law shall be enacted which would impair such obligations. It therefore places no legal obstacle to the enforcement of an existing agreement validly entered into by the parties herein as the decision appealed from seeks to do, which in no way runs counter to the socialistic intent and humanitarian spirit of the decree.

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Judicial ejectment lies when the lease is for a definite period or when the fixed or definite period agreed upon has expired, as in these cases. Petitioners ascribe ill motive to the private respondent for their ejectment. We find this of no moment. Lawful ejectment of the lessee from the premises may be enforced regardless of the lessor's motive or intent.

While it is true that a party to a compromise agreement may move to set it aside on the ground of fraud, mistake, or duress in which case an appeal may be taken from the order denying the motion, the motion to suspend the compromise agreement should meet the essential requirements of Section 3 of Rule 38. It reads:

A petition provided for in either of the preceding sections of this rule must be verified, filed within sixty (60) days after the petitioner learns of the judgment, order, or other proceeding to be set aside, and not more than six (6) months after such judgment or order was entered, or such proceeding was taken, and must be accompanied with affidavits showing the fraud, accident, mistake, or excusable negligence relied upon, and the facts constituting the petitioners good and substantial cause of action or defense, as the case may be.

Admittedly, the Amended Motion for Reconsideration of the Order approving the Compromise Agreement was filed only eleven (11) months after receipt of the judgment of the compromise. On this score alone, the Amended Motion would be denied for being filed out of time.

This Court frowns upon the crude grounds of the petition before us. We perceive petitioners' ploy to unduly delay the execution of the final judgment of the trial court. After enjoying the benefits of the compromise agreement specifically the flat rate of P250.00 monthly rental, and exemption from payment of the same for certain months, the petitioners would want this Court to declare the said compromise agreements as null and void. No better illustration of bad faith could be gleaned than the herein petition.

In accordance with the cardinal principle of maintaining the status quo before ruling on the Petition, a Temporary Restraining Order as of October 7, 1976 has been issued by this Court against the trial court. For twelve years therefore, petitioners have been staying in their respective leased premises on their old monthly rental of P250.00. As such, petitioners should pay their respective rentals of P250.00 each, from June, 1976 to date, on the principle of unjust enrichment, the last monthly payment being on May, 1976.

WHEREFORE, the Petition is DISMISSED. The Temporary Restraining Order issued on October 7, 1976 is hereby LIFTED. Both petitioners are hereby ordered to PAY to the private respondents the monthly rental of P250.00 each, from June, 1976 to date, with interest at the legal rate from due date until full payment. An alias writ of execution ordering the petitioners to vacate the leased premises and to pay the accrued rentals with the interest hereby adjudged shall now be issued forthwith by the trial court.

Triple costs against the Petitioners.

THIS DECISION IS IMMEDIATELY EXECUTORY.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Regalado, JJ., concur.

[1] Rollo, 19, 20.

[2] G.R. No. 52435, July 20, 1982, 115 SCRA 318.

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