

SEBASTIAN PELIGRINO, PLAINTIFF-APPELLEE, VS. GENERAL BASE METALS INC., DEFENDANT-APPELLANT.

G.R. No. L-22683. May 31, 1971

Ponente: DIZON, J.

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DIZON, J.:

This is an appeal (originally taken to the Court of Appeals but certified to Us by virtue of its resolution of March 10, 1964) from the decision of the Court of First Instance of Bohol, the dispositive portion of which reads as follows:

"PREMISES CONSIDERED, the Court renders judgment giving the defendant a period of one (1) year, from the date of entry of this judgment, within which she will continue possessing the land in question. After the expiration of this period of one year, de-fendant shall vacate the land and deliver its possession to plaintiff. The Court has fixed such period in order to give defendant the chance to look for another land which she may need for her business.

In fairness to plaintiff, however, the Court sentences defendant to pay said plaintiff a rental of P15.00 a month, from the date of the promulgation of this judgment, while said defendant remains in the possession of the land in question.

Inasmuch as plaintiff's claim for damages is unfounded, the Court relieves the defendant from the obligation to pay any amount of damages.

The present judgment is rendered with-out special pronouncement as to costs."

On February 4, 1960, appellee filed with the Justice of the Peace Court of Guindulman, Bohol, a complaint for the ejectment of appellant General Base Metals Inc. from a parcel of land of a little less than one hectare situated in barrio Basdio of said municipality. Appellant answered the complaint alleging, inter alia, that it had received appellee's letter demanding payment of an increased month-ly rental which it refused to pay because it deemed it excessive; that it had the legal right to remain in possession of the leased property because it had never failed to pay the rent agreed upon; that the court had no juris-diction to hear and decide the case, not only because it had never defaulted in the payment of rents, but also be-cause the dispute between the lessor and the lessee over the increased rental was not within the purview of an action for unlawful detainer but a matter within the jurisdiction of the Court of First Instance.

After trial the Justice of the Peace Court rendered judgment ordering appellant to vacate the property and restore its possession to appellee; to pay the latter the monthly rent of P8.00 from the time of the filing of the complaint until possession of the land aforesaid has been restored to appellee, and to pay the latter the sum of P50.00 as attorney's fees, plus the costs of suit.

Not satisfied with the above decision, the defendant corporation appealed to the Court of First Instance of Bohol where it filed an answer alleging therein the same defenses relied upon by it below.

It appears that on January 15, 1948, appellee leased the property described in the complaint unto Castrodes & L. C. Hudson, for a monthly rent of P7.00. On May 19, 1949, Hudson sold its mining claims, tools, etc., including its leasehold rights on appellee's property to appellant, and since then the latter had been occupying said property. It is not disputed that the contract of lease was for an indefinite period of time and that the rents agreed upon were payable on a monthly basis. Neither is it disputed that appellant had paid all the monthly rents agreed upon from the time it acquired Hudson's leasehold rights.

In a letter dated January 4, 1960 appellee demanded from appellant the payment of an increased monthly rental of P100.00, or that appellant vacate the property before the end of that month should the increased rental not be acceptable to it. As appellant refused to pay the increased rental and to vacate the premises, the corresponding action for unlawful detainer was filed.

Considering the nature of the lease contract between the parties – which, as stated heretofore, was on a monthly basis – it seems clear that appellee had the right to terminate the same at the end of any given month, giving timely notice thereof to appellant. This appellee did, giving appellant, however, an opportunity to continue with the lease by paying the increased monthly rental. Therefore, when appellant refused to do so, appellee had the right to eject it from the leased property.

The trial court held, however, that considering the period of time that appellant and its predecessor had been in occupancy of the leased property, and the fact that it was in dire need of it in connection with the development and operation of its mining claims, it was entitled, in equity, to have its right of possession extended so that it may have an opportunity to look for another suitable property. For this purpose, the court gave appellant a period of one year from the date of entry of its final judgment, with the understanding that, upon the expiration of such period, appellant should vacate the land in question and deliver its possession to appellee. As that period expired years ago, equity likewise demands that appellant's right to remain in possession of the leased property must be deemed as having expired with it.

With respect to the increased rental demanded by appellee, the trial court sustained appellant's contention that the same was excessive considering the area and value of the leased property, and held that the reasonable monthly rental is the sum of P15.00 payable from the date of promulgation of its decision (February 1, 1962). This amount is fair and reasonable considering the circumstances of the case.

WHEREFORE, the decision appealed from being in accordance with law, the same is hereby affirmed, with costs against appellant.

Concepcion, C.J., Reyes, Makalintal, Zaldivar, Fernando, Teehankee, Barredo, Villamor, and Makasiar, JJ., concur.

Ruiz Castro, J., no part.

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