

SHEILA CLUTARIO AND JOCELYN BARBA (DOING BUSINESS AS TBJ MARKETING) PETITIONERS, VS. VILMA “VHEE” R. CARRASCAL (THRU HER ATTORNEY-IN-FACT) MARIANO B. BARANDA, JR., RESPONDENT.

Ponente: CASTILLO, M., J.

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CASTILLO, M., J.:

This is a petition for review seeking to reverse and set aside the Decision dated 04 September 2012[1] and the Order dated 22 October 2012,[2] both of the Regional Trial Court of Tabaco City, Branch 18, in Civil Case No. T-2726, affirming the appealed Decision[3] of the Municipal Circuit Trial Court of Tiwi-Malinao, Albay, and denying petitioners’ motion for reconsideration, respectively.

The antecedents of this petition are:

A complaint for unlawful detainer was filed by respondent Vilma R. Carrascal (thru her attorney-in-fact/counsel Mariano B. Baranda, Jr.) against petitioners Sheila Clutario and Jocelyn Barba (doing business as TBJ Marketing). It was docketed as Civil Case No. T-485 before the MCTC of Tiwi-Malinao, Albay. The complaint alleged, among others, the following:[4]

- On 8 July 2010, plaintiff and defendants entered into a written lease agreement regarding the premises now occupied by the defendants and where they presently conduct and hold their business establishment known as “TBJ MARKETING” store;

- Under the said agreement, the defendants agreed to pay the plaintiff a monthly rental of Php6,000.00 payable in advance within the first five days of the month;

- Contrary to their express covenant, the defendants, in bad faith, failed and refused to pay the plaintiff the said monthly rental from March 01, 2011 up to the present;

- The plaintiff has several times demanded of the defendants to vacate the above-mentioned premises and to pay their back rents now amounting to Php6,000.00, the last demand for payment having been made on them verbally and in writing on August 05, 2011, which is more than five days before the filing of the complaint. xxx

Petitioners in their answer[5] admitted having entered into a contract of lease with the respondent. They however maintained, that they did so only upon her (respondent) representation that she was granted the authority to collect the monthly rentals due on the leased premises by the supposed true owner thereof, Michael Riosa, respondent’s nephew. Petitioners asserted that they religiously complied with their obligation to pay the stipulated monthly

rental contrary to the averment of the respondent. They further contended that the authority given to the respondent by the purported true owner had already been revoked by the latter in a letter dated 25 August 2011 and that consequently, a new contract of lease was executed by them and Michael Riosa over the leased premises from 01 September 2011 onwards. Such being the case, they argued that the respondent had no cause of action against them.

At the preliminary conference, the parties stipulated on the following facts:[6]

- The contract entered into by the parties is denominated as a Lease Contract;
- The premises occupied by the defendants consist of 2 stalls;
- The two stalls are denominated as Stall A and Stall B;
- Stall A is the premises which is leased by Michael Riosa to the defendants;
- Stall A was originally leased by the defendants from Aida Riosa;
- That stall A and stall B are covered by 2 different contracts of lease;
- The payments from September 1, 2011 onwards have been paid by the defendants to Michael Riosa instead of the plaintiff; and,
- Account No. 1231000166 of the Rizal Commercial Banking Corporation (RCBC) is the account of Vhee Carrascal.

On the other hand, the parties disagreed on the following:[7]

- The first clause of Annex C of the Lease Contract refers to Stall B which is the premises being leased by the plaintiff to the defendants;
- Stall B is originally leased by the defendants from Dolores Ballarca;
- That Michael Riosa issued only a single verbal instruction to collect rentals from the defendants and that verbal instruction pertains to stall A as evidenced by the defendants' Annexes to their answer in paragraph 4 thereof;
- The authority of Aida Riosa to lease and collect rentals of the said property was derived from Michael Riosa; and,

- The authority of Vhee Carrascal to lease out and to collect rentals was derived from Michael Riosa.

After the parties each submitted their position paper along with their supporting documents, the trial court rendered its Decision on 22 March 2012.

The MCTC concluded that stall B (not stall A) was the subject of the contract of lease between the petitioners and the respondent. Such being the case, the revocation of Michael Riosa of the authority he previously granted to Vilma Carrascal to collect from the petitioners the monthly rentals due on stall A had no bearing at all to the instant case. The trial court further declared that the said contract of lease subsisted notwithstanding the new lease agreement forged by the petitioners and Michael Riosa such that Sheila Clutario and Jocelyn Barba were still obligated to pay the stipulated monthly rentals due on the leased premises to the respondent for their continued stay thereon. Accordingly, the failure of the petitioners to comply with what was incumbent upon them under the contract they entered into with the respondent supported respondent's cause of action to seek their eviction from the leased premises. The MCTC also ruled that whether or not the respondent was the owner of stall B was of no moment. The law does not require that the lessor be the owner of the leased premises for the contract of lease to be valid and that, at any rate, petitioners were estopped from questioning respondent's title.

The trial court thus decided respondent's complaint, as follows:[8]

WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of the plaintiff and against the defendants, as follows:

- Ordering the defendants and other persons claiming rights, title or interest under them to restore the possession of the subject premises to plaintiff in good and tenantable condition;
- Ordering the defendants to pay the plaintiff the sum of P36,000.00 plus legal rate of interest thereon from the filing of the complaint;
- Ordering the defendants to pay the plaintiff P5,000.00 as litigation expenses; and
- Ordering the defendants to pay the plaintiff the costs of the suit.

SO ORDERED.

Aggrieved, petitioners appealed the 22 March 2012 Decision of the MCTC to the RTC.

In its assailed Decision, the RTC affirmed with modification the appealed Decision of the MCTC. The modification consisted of the deletion of the awards of litigation expenses and costs of suit in favor of the respondent.

The subsequent motion for reconsideration filed by the petitioners was denied by the RTC.

Hence, this petition.

Upon the filing of respondent's Comment on the petition for review and the lapse of the period granted to the petitioners to file their reply thereto without such reply being filed, petitioners were deemed to have waived the filing thereof and the case was submitted for decision.

Essentially, petitioners impute error on the part of the RTC in upholding respondent's right to eject them from the

leased premises. They assert that contrary to the finding of the MCTC, as affirmed by the RTC, Stall A is the subject of the contract of lease they executed with the respondent. Accordingly, they insist that since the true owner of the leased premises, Michael Riosa, had already revoked the authority he had previously given to his aunt, the respondent, to lease out and collect the monthly rentals on Stall A and thereafter entered into a new contract of lease over the same, Vilma Carrascal has no cause of action to file the ejectment case against them. They also call this Court's attention to the fact that a contract of lease over Stall B was similarly executed between them and Michael Riosa.

"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." [9] "The only issue to be resolved in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties involved." [10] "Thus, when the relationship of lessor and lessee is established in an unlawful detainer case, any attempt of the parties to inject the question of ownership into the case is futile, except insofar as it might throw light on the right of possession." [11]

Here, it is beyond dispute that a contract of lease was entered into by the petitioners, as lessees, and the respondent, as lessor. Such fact was admitted by the petitioners in their answer. They merely assert that respondent only acted as an agent of Michael Riosa in executing the contract of lease with them such that when such agency had been revoked and a new contract of lease was forged between them and the principal over the leased premises, respondent lost any right to evict them therefrom.

Notably, both the MCTC and the RTC concluded that Stall B was the subject of the contract of lease of petitioners and respondent. While not spelled out in its 22 March 2012 Decision, the MCTC obviously took into account respondent's position paper and her affidavit where she identified Stall B as the leased premises as well as the corroborating affidavits of Aida Riosa and Dolores Vallarta, in arriving at its conclusion.

For its part, the RTC agreed with the MCTC's observation upon noting that in petitioners' letter of 24 March 2011 to respondent's counsel Mariano B. Baranda, Jr., it appeared that Stall A and Stall B were being occupied by Sheila Clutario and Jocelyn Barba under two separate contracts of lease. One of the said contracts had Michael Riosa as lessor while the other lessor was the respondent. This, coupled with the admission made by the petitioners during the preliminary conference that "Stall A is the premises which is leased by Michael Riosa to the defendants," [12] convinced the RTC that the MCTC did not err in this regard.

Supported as it is by the facts and evidence on record, We see no reason to deviate from the findings of both the MCTC and the RTC.

The necessary consequence of a finding that Stall B is the premises leased out by respondent to the petitioners is to render the latter's theory of revocation in relation to Stall A plainly irrelevant and unavailing. We cannot thus fault the MCTC and the RTC in not giving any credit to the same in resolving the case.

We equally find no fault in both courts in sustaining respondent's right to oust the petitioners from Stall B.

The term of the contract of lease over Stall B between petitioners and the respondent was for a period of one (1) year to expire on 30 September 2011. As early as 29 July 2011, respondent had signified, in her letter to the petitioners, that she no longer desired to renew the lease agreement and had demanded the latter to vacate the leased premises upon the expiration thereof, otherwise they would be charged with the amount of P10,000.00 per month for their continued stay. [13]

After the subject lease contract expired on 30 September 2011, petitioners were already unlawfully withholding

possession of the leased premises from respondent as to entitle the latter to file her complaint for ejectment against them as defendant.[14] Since the lease contract was executed for a determinate time, such contract ceased on the day fixed without need of further demand.[15] A notice to vacate constitutes an express act on the part of the lessor that he no longer consents to the continued occupation by the lessee of the property.[16] Plainly, therefore, respondent, as plaintiff in the trial court, had a cause of action for ejectment against petitioners who were the defendants below.

We are not swayed by petitioners' argument that they have acquired a right to remain in possession of Stall B by virtue of the new contract of lease they executed on 25 August 2011 with Michael Riosa, whom they alleged to be the true owner thereof.[17]

By entering into a contract with the respondent over Stall B, petitioners acknowledged her title and authority to lease out the same to them. After recognizing the validity of the contract of lease for eleven (11) months, petitioners are now unmistakably barred from claiming the automatic cancellation/revocation of said contract on the ground that another person is the true owner of the leased premises and consequently has the authority to contract a new lease over the same.

Indeed, Section 2, Rule 131 of the Rules of Court provides as a conclusive presumption that:

Sec. 2. Conclusive presumptions. – The following are instances of conclusive presumptions:

(a) Whenever a party has, by his own declaration, act, or omission, intentionally and deliberately led another to believe a particular thing true, and to act upon such belief, he cannot, in any litigation arising out of such declaration, act or omission, be permitted to falsify it;

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In addition to the expiration of the contract of lease, the admitted failure and refusal of the petitioners to pay the amount of P6,000.00 corresponding to the monthly rental due for the month of September 2011 to the respondent, in contravention of the stipulation in the said contract, is another reason to sustain respondent's right to oust them from Stall B. Article 1673 of the Civil Code provides as follows:

Art. 1673. The lessor may judicially eject the lessee for any of the following causes:

- (1) When the period agreed upon, or that which is fixed for the duration of leases under Articles 1682 and 1687, has expired;
- (2) Lack of payment of the price stipulated;
- (3) Violation of any of the conditions agreed upon in the contract;
- (4) When the lessee devotes the thing leased to any use or service not stipulated which causes the deterioration thereof, or if he does not observe the requirements in No. 2 of Article 1657, as regards the use thereof.

WHEREFORE, the instant petition for review is DENIED.

SO ORDERED.**CERTIFICATION**

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

[*]Cruz, R.A., and Galapate-Laguilles, Z.T., JJ., concur.

[*] Acting Senior Member, vice Justice Javier, per Office Order No. 198-14-ABR.

[1] Rollo, pp. 40 - 50

[2] Rollo, pp. 51 - 53

[3] Rollo, pp. 23 - 39

[4] Rollo, pp. 69 - 70

[5] Rollo, pp. 74 - 77

[6] Decision of the MCTC, Rollo, p. 25

[7] Ibid

[8] Id., p. 39

[9] Racaza v. Gozum, 523 Phil. 694, 707 (2006), cited in Viegely Samelo v. Manotok Services, Inc., G.R. 170509, June 27, 2012

[10] Mendoza v. Court of Appeals, 492 Phil. 261, 265 (2005), also cited in Viegely Samelo v. Manotok Services, Inc., supra

[11] Eastern Shipping Lines, Inc. v. Court of Appeals, 424 Phil. 544, 554 (2002), also cited in Viegely Samelo v. Manotok Services, Inc., supra

[12] Decision of the MCTC, Rollo, p. 25

[13] Rollo, p. 72

[14] Carlos Super Drug Corporation v. Court of Appeals, 447 Phil. 150, 157 (2003), cited in Johnny Josefa v. Lourdes San Buenaventura, G.R. No. 163429, March 3, 2006

[15] Article 1669, New Civil Code.

[16] Tagbilaran Integrated Settlers Association (TISA), Incorporated v. Court of Appeals, G.R. No. 148562, November 25, 2004, 444 SCRA 193, also cited in Johnny Josefa v. Lourdes San Buenaventura, supra

[17] Rollo, pp. 65 - 67

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