BENJAMIN S. ABALOS AND ARSENIO ARELLANO, PETITIONER, VS. HON. COURT OF APPEALS, FREDISVINDA FERNANDEZ, SERGIO FERNANDEZ, GENOVEVA COQUIA, FAUSTO MENESES, AND OSCAR FERNANDEZ, RE...

G.R. No. 106029. October 19, 1999

Ponente: PURISIMA, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-106029/

PURISIMA, J.:

At bar are consolidated petitions for review on certiorari under Rule 45 of the Revised Rules of Court assailing the Decision[1] of the Court of Appeals in CA-G.R. SP No. 24920.

The facts that matter are as follows:

> Private respondents Fredisvinda Fernandez, Fausto Meneses, Sergio Fernandez, and Genoveva Coquia, petitioner Oscar Fernandez, and several others, who are not parties to this action, were the (co-)owners of Dupo Fishpond ("Fishpond") located in Dagupan City and Binmaley, Pangasinan. (For reference purposes, Oscar Fernandez shall be referred to as petitioner, although he is also a private respondent in G.R. No. 106029.) Fredisvinda, as administratrix of the Fishpond, leased the same to petitioner Oscar Fernandez ("petitioner Fernandez") for a period of five years from July 1, 1979 to June 30, 1984. Petitioner Fernandez, in turn, subleased the same to petitioner Benjamin Abalos ("petitioner Abalos") who hired petitioner Arsenio Arellano ("petitioner Arellano") as caretaker thereof.

When the lease was nearing its termination date, petitioner Fernandez pleaded for, and was granted, a one (1) year extension of the lease up to June 30, 1985.

On August 26, 1984, the Fishpond was bidded to all the co-owners, for the lease thereof, starting July 1, 1985. Jorge Coquia, through his son Anthony, won the bidding with a bid price of P250,000.00. Petitioner Fernandez's bid was P151,000.00.

It appears that subsequently, petitioner Fernandez informed his sublessees that he lost in the bidding.

On July 1, 1985, Anthony Coquia, accompanied by police authorities from Dagupan City, proceeded to the Fishpond to take possession of the property. However, petitioner Arellano refused to leave the premises, on the pretext that he received no orders from petitioner Abalos to do so.

Demands were then made upon the petitioners to surrender possession of the premises to private respondents, but these were ignored.

On April 15, 1986, private respondents brought a Complaint for unlawful detainer against the petitioners, docketed as Civil Case No. 7127 before Branch 3 of the Municipal Trial Court in Cities ("MTCC") of Dagupan City.

Petitioners Abalos and Arellano filed their Answer, setting up the defense, among others, that petitioner, with the

acquiescence and conformity of the other co-owners, renewed the sub-lease agreement for another five (5) years, from July 1, 1984 to June 30, 1989, under the same condition as the first contract, with the added stipulation that they shall pay an escalation rate equal to ten percent (10%) of the original rental of P118,000.00 per annum. They also alleged that petitioner Fernandez and the other co-owners received advanced rentals for the sublease of the Fishpond.

Petitioners Abalos and Arellano filed a cross-claim against petitioner Fernandez and prayed that in the event judgment is rendered against them, petitioner Fernandez be ordered to reimburse them.

For his part, petitioner Fernandez alleged in his Answer, among others, that after he lost in the bidding, he notified his sublessees of such fact by phone and by registered mail. He also contended that the court had no jurisdiction over the case.

It appears that on May 30, 1988, petitioners Abalos and Arellano surrendered the premises to Jorge Coquia, rendering moot and academic the issue of possession pending before the MTCC.

On July 25, 1989, the MTCC rendered a Decision[2] disposing:

> "WHEREFORE, in view of the foregoing premises, the Court hereby renders judgment for the plaintiffs as follows:
>
> 1. Ordering defendants Oscar Fernandez and Benjamin Abalos, jointly and severally, to pay the plaintiffs, the following:
>
> a. P250,000.00 yearly as reasonable compensation of the Lupo fishpond from July 1, 1985 up to March, 1983 when defendants vacated the premises;
>
> b. Atty.'s fees of P3,000.00;
>
> c. Costs.

2. Ordering the dismissal of the complaint against defendant Arellano;

3. Ordering the dismissal of the cross claim against defendant Oscar Fernandez.

SO ORDERED."

Petitioners appealed the above Decision to Branch 44 of the Regional Trial Court of Dagupan City ("RTC") which, in a Decision[3] dated March 21, 1991, reversed the Decision of the MTCC, holding thus:

> "Wherefore, it is declared that the Municipal Trial Court in Cities, Branch 3, Dagupan City had no jurisdiction over the case; therefore, the appealed decision ordering defendants Oscar Fernandez and Benjamin Abalos, jointly and severally, to pay plaintiffs, the following:
>
> a. P250,000.00 yearly as reasonable compensation of the Dupo fishpond from July 1, 1985 up to March, 1988 when defendants vacated the premises;
>
> b. Atty.'s fees of P3,000.00;
>
> c. Costs.
>
> is ordered set aside and reversed.
>
> The dispositive portion of the decision dismissing the complaint against defendant Arellano and the dispositive portion of the decision ordering the dismissal of the cross-claim against defendant Oscar Fernandez are affirmed in toto.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

SO ORDERED."

The RTC reasoned out that since the case involved "the interpretation of the renewal of the contract of lease between Oscar Fernandez and the plaintiffs, the matter involved is incapable of pecuniary estimation and, therefore, the same is beyond the competence of the Municipal Trial Court in Cities, Dagupan City."

Private respondents appealed the RTC's reversal to the respondent Court of Appeals which, in a Decision[4] promulgated on February 17, 1992, upheld the ruling of the MTCC, disposing thus:

"WHEREFORE, all the foregoing premises considered, the Decision of the Regional Trial Court of Dagupan City (Branch 44) dated March 21, 1991 is hereby SET ASIDE and the Decision of the Municipal Trial Court of Dagupan City dated July 25, 1989 is AFFIRMED in toto.

No pronouncement as to costs.

SO ORDERED."

Petitioners filed separate motions for reconsideration with the respondent court, but the same were denied in a Resolution[5] promulgated on June 18, 1992.

Having lost their case before the respondent court, petitioners have filed the instant petitions, assigning as errors of the respondent court the following:

G.R. No. 106029

I

RESPONDENT COURT OF APPEALS ERRED IN NOT HOLDING THAT THERE WAS RENEWAL OF THE LEASE AGREEMENT OVER THE SUBJECT FISHPOND.

II

RESPONDENT COURT OF APPEALS ERRED IN HOLDING PETITIONER ABALOS JOINTLY AND SEVERALLY LIABLE WITH OSCAR FERNANDEZ FOR P250,000.00 A YEAR.

III

RESPONDENT COURT OF APPEALS ERRED IN NOT PASSING UPON THE CROSSCLAIM OF PETITIONER ABALOS AGAINST OSCAR FERNANDEZ.

G.R. No. 105770

I

RESPONDENT COURT ERRED IN HOLDING PETITIONER JOINTLY AND SEVERALLY LIABLE WITH BENJAMIN ABALOS IN PAYING PRIVATE RESPONDENTS THE SUM OF P250,000.00 FROM JULY 1, 1985 UP TO MARCH 1988 AS COMPENSATION OF THE FISHPOND.

II

RESPONDENT COURT ERRED IN NOT ABSOLVING PETITIONER FROM LIABILITY CONSIDERING THE ADMITTED AND UNREFUTED FACT THAT HE HAD FOREWARNED BENJAMIN ABALOS AND JACKSON CHUA AHEAD OF TIME OF THE NEED TO VACATE THE FISHPOND ON OR BEFORE JULY

1, 1985 AS EVIDENCED BY HIS LETTERS TO HIS SUB-LESSORS, EXHIBITS 1 AND 2 - FERNANDEZ.

III

THE RESPONDENT COURT ERRED IN NOT DISMISSING PRIVATE RESPONDENTS' APPEAL TO THAT COURT. AND IF EVER THE APPEAL TO THAT COURT WERE TO BE VALID, RESPONDENT COURT JUST THE SAME ERRED IN NOT GRANTING PETITIONER'S COMPULSORY COUNTERCLAIM FOR HAVING BEEN DRAGGED IN COURT WITHOUT FACTUAL NOR LEGAL BASIS.

Simply stated, the issues for resolution in these cases are:

1. Was there renewal of the lease agreement of petitioner Abalos over the Fishpond for another five years from July 1, 1984 to June 30, 1989?

2. Is petitioner Fernandez jointly and severally liable with petitioner Abalos in paying private respondents the sum of P250,000.00 yearly, from July 1, 1985 to March 1988, as annual rental for the Fishpond?

3. Was the dismissal of the crossclaim of petitioner Abalos against petitioner Fernandez proper?

The petitions are not impressed with merit.

The petitions raise factual issues which are not proper in an appeal on certiorari[6] . It is a basic rule that only questions of law may be raised in an appeal by certiorari under Rule 45 of the Rules of Court[7]

Even assuming arguendo that the petitions raise issues justifying a factual review of the findings of the respondent court, the petitions will still fail. The Court is of the opinion, and so holds, that the assailed Decision of the respondent court has sufficient evidentiary support which was properly appreciated.

Regarding the first issue, petitioners Abalos and Arellano cite the Addendum, Exhibit "4", whereby Corazon Fernandez, as administratrix of the estate of the late Angel Fernandez, extended petitioner Abalos' lease agreement for another five (5) years from July 1, 1984 to June 30, 1989. Petitioners stress that the authority of Corazon Fernandez to lease the Fishpond was never challenged nor disputed by the private respondents and that the latter, together with petitioner Fernandez, continued to accept rentals.

The allegation of petitioner Abalos, that his lease of the Fishpond was renewed, is belied by the admission of his sublessor, petitioner Fernandez, that he pleaded with the other co-owners for the extension of the lease of the property for one year, from July 1, 1984 to June 30, 1985. How can there be an extension of five (5) years when petitioner Abalos' sublessor has, by pleading for an extension of one year, acknowledged that the lease expired on June 30, 1984?

Petitioner Abalos cannot also rely on the Addendum, Exhibit "4", to support his claim of renewal of lease. It must be noted that the addendum, dated August 16, 1979, was signed by Corazon C. Fernandez as administratrix of the estate of the late Angel Fernandez, the father of petitioner Fernandez, and a co-owner of the Fishpond. What this amounts to is that the extension could not have covered the entire Fishpond as Angel Fernandez's share thereof consisted only of a pro-indiviso, undivided portion[8] . It does not also appear that the private respondents agreed or acquiesced in the extension of the lease. Moreover, subject addendum was not signed by the other co-owners nor their representatives and neither was said addendum notarized before a notary public.

Regarding the second issue, we sustain the finding that petitioners Fernandez and Abalos are jointly and severally liable to the private respondents for the payment of the yearly rental of the Fishpond amounting to P250,000.00 yearly from July 1, 1984 to March 1988 when petitioner Abalos vacated the premises. This is because petitioner

Fernandez, as lessee of the Fishpond, and petitioner Abalos, as sublessee of the former, were obliged to surrender the leased premises to the private respondents upon the expiration of the lease[9] . The lease contract of petitioner Fernandez expired on June 30, 1985 after his plea for an extension of one year upon the expiration of the original contract was granted by the private respondents. Upon the expiration of the extended period, it became incumbent upon petitioner Fernandez to return the leased premises to private respondents. The same goes with petitioner Abalos. Upon the expiration of the sublease agreement on June 30, 1984, he should have surrendered possession of the Fishpond to its rightful owners. The necessity of vacating the premises and surrendering the same to the private respondents became more urgent when, having been informed by petitioner Fernandez that he lost in the bidding for the lease of the Fishpond, and having been requested to vacate the same by oral and written demands, petitioner Abalos should have surrendered possession of the Fishpond to private respondents.

Petitioner Fernandez, upon the expiration of the extension of the lease, had the obligation to surrender possession of the Fishpond to the private respondents while petitioner Abalos, upon expiration of the sublease and having been informed that he no longer had any right over the questioned fishpond, should have vacated and surrendered the premises to the private respondents. For failing to do so, both petitioners are liable for the payment of the yearly rental of P250,000.00 for the lease of the Fishpond beginning July 1, 1985 and ending in March 1988.

With respect to the third issue, we find the dismissal of petitioner Abalos crossclaim against petitioner Fernandez proper. First, we have already discussed and held that both petitioners are jointly and severally liable to the private respondents for the yearly rental of the Fishpond. Secondly, petitioner Fernandez has shown that he informed petitioner Abalos and one Jackson Chua that they can possess the Fishpond only up to June 30, 1985[10] .

Petitioner also posits the argument that since petitioner Fernandez received payment for the Fishpond until 1986, this should be taken to mean that petitioner Fernandez extended the lease of petitioner Abalos over the subject Fishpond, or should at least be considered an assurance that petitioner Abalos could continuously lease the Fishpond.

We are not convinced. This issue has already been addressed by the respondent court, and we see nothing wrong with its finding that:

> "While Abalos claims further that he paid Fernandez a certain sum as advance rentals and that this is an indication that the sublease contract had been renewed, Fernandez has explained to the court that said contract was to be paid by him and his sublessees in the event they won the bid and when they did not, the money was applied as rentals for the one-year extended period of the sublease. Furthermore, there can be no implied new lease considering the fact that, as aforecited, the sublessor Fernandez expressly notified the sublessees in writing that they had lost the bid for the lease of the fishpond and that the sublessees had only until June 30, 1985 to hold on to the property."

In fine, aside from presenting only factual issues, the petitions raise no substantial grounds justifying a reversal of the respondent court's Decision.

WHEREFORE, the Decision dated February 17, 1992 of the Court of Appeals is AFFIRMED in toto.

SO ORDERED.

Melo, (Chairman), Vitug, Panganiban, and Gonzaga-Reyes, JJ., concur.

---

[1] Penned by Associate Justice Salome A. Montoya and concurred by Associate Justices Eduardo R. Bengzon and Fortunato A. Vailoces.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[2] Rollo, G.R. No. 106029, pp. 33-48.

[3] Rollo, G.R. No. 106029, pp. 49-58.

[4] Rollo, G.R. No. 105770, pp. 33-38.

[5] Rollo, G.R. No. 106029, p. 25.

[6] Alicbusan v. Court of Appeals, 269 SCRA 336.

[7] Atlantic Gulf and Pacific Company of Manila, Inc. v. Court of Appeals, 247 SCRA 606.

[8] Article 493, New Civil Code - Each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership.

[9] Article 1665, New Civil Code: The lessee shall return the thing leased, upon the termination of the lease, just as he received it, save what has been lost or impaired by the lapse of time, or by ordinary wear and tear, or from an inevitable cause.

[10] Exhibits “1” and “2” (Fernandez); see MTCC Decision, p. 13.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.