

TERESITA VILLALUZ, CHIT ILAGAN, SPOUSES ADOR AND TESS TABERNA AND MARIO LLAMAS, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND SPOUSES REYNALDO AND ZENAIDA ANZURES, RESPONDE...

G.R. No. 106214. September 05, 1997

Ponente: FRANCISCO, J.

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FRANCISCO, J.:

This petition assails the decision of the Court of Appeals (CA) in two consolidated cases involving (i) the civil aspect of a criminal case for violation of Batas Pambansa No. 22[1] (CA G.R. No. 28780) and (ii) an ejectment suit (CA G.R. S.P. No. 20055).[2]

Both cases arose from the following undisputed facts given credence by the CA:

CA G.R. No. 28780.[3]

Complainant (private respondent) Reynaldo Anzures, his wife, Zenaida Anzures, accused Teresita Villaluz and her husband, Romeo Villaluz, have known each other for quite sometime. As a matter of fact, they were friends and have undertaken business transactions together.

Complainant Reynaldo Anzures was the registered owner of a vessel, ROTA FLOAT, per Certificate of Philippine Register (Katibayan ng Pagpapatala sa Pilipinas) (Exhibit B). On April 30, 1987, in Hongkong, complainant sold the vessel to accused (petitioner) Teresita Villaluz for and in consideration of the sum of HK\$ 750,000.00, as evidenced by a Bill of Sale (Exhibit C) and an agreement and Certificate of payment and Delivery (Exhibit D). Despite the fact that complainant, in the Certificate of Payment and Delivery (Exhibit D-2), acknowledged receipt of the purchase price, the purchase price was not actually paid. Instead, they agreed that the payment would be made in Manila right after they arrived in said place. Complainant arrived in Manila on September 18, 1987. Accused, however, failed to pay complainant, in violation of what they agreed upon. Thus, complainant, for at least ten times, visited accused and demanded the payment of the price from her.

On the 18th of November, 1987, accused issued a Producers Bank Check, payable to Reynaldo Anzures, in the amount of Two Million One Hundred Twenty Three Thousand Four Hundred (P2,123,400.00) Pesos, postdated December 18, 1987.

On November 15, 1987, accused sold to complainant's wife an Isuzu crew cab worth P100,000.00 (Exhibit 4). On November 17, 1987, accused sold to complainant parcels of land and a house located at San Gregorio, Pasay City, in the amount of P1,500,000.00 (Exhibit 5 & 6). Also on November 18, 1987, accused sold a sala set valued at P120,000.00 to complainant. The purchase prices of said properties were, nevertheless, not paid because their agreement was to deduct the same from an indebtedness of the accused to complainant and his wife.

Thereafter, complainant deposited the check with the China Banking Corporation, Balut Branch, but it

bounced for the reason that the account of the accused with the drawee bank, Producer's Bank, was already closed as of November 16, 1987, per notice sent by China Banking Corporation to complainant's wife, dated February 10, 1988 (Exhibit E-1). On May 30, 1988 complainant, thru lawyer, sent a letter to accused asking the latter to discuss and settle the matter with him, but in vain (Exhibit F).

On July 11, 1988, complainant sent another letter, this time demanding from the accused the replacement of the dishonored check, in the amount of P2,123,400.00, plus interest (Exhibit G). Still, accused did not heed complainant's demand. Therefore, on August 26, 1988, complainant instituted a complaint against accused for violation of B.P. 22.[4]

The corresponding criminal information was filed before the Regional Trial Court (RTC). Later, by order of said court issued on July 3, 1989, and upon motion of private respondents who posted an attachment bond furnished by an insurance company, the sheriff attached certain properties of petitioner.[5] The attachments were duly annotated on petitioner's certificates of title on the attached properties.[6] After trial, the court a quo rendered judgment acquitting petitioner Villaluz of the crime charged, but held her civilly liable and ordered her to:

pay complainant Reynaldo Anzures the sum of TWO MILLION ONE HUNDRED TWENTY THREE THOUSAND FOUR HUNDRED (P2,123,400.00) PESOS with legal rate of interest from December 18, 1987 until fully paid, the sum of P50,000.00 as attorney's fees and the cost of suit.[7]

Petitioner Villaluz appealed to the CA (docketed as CA G.R. No. 28780) questioning her adjudged civil liability.

CA G.R. No. 20055.[8]

Plaintiffs (private respondents' Anzures) are the owners of a lot and a building located at 20 Apollo Street, San Gregorio Village, Pasay city, which they bought from Mrs. Teresita Estacio Villaluz, as evidenced by Annexes "A" and "A-1" (Deed of Absolute sale) and "B" (TCT No. 127633) of the complaint.

Defendants (petitioners Ilagan, the spouses Taberna and Llamas) are all employees of Mrs. Villaluz and they are occupying the aforesaid premises by virtue of their employment with Mrs. Villaluz.

One of the conditions of the sale between plaintiffs and Mrs. Villaluz was that all the employees of Mrs. Villaluz who occupies (sic) the premises will (sic) have to vacate the same on or before March 31, 1988. This is evidenced by a Memorandum of Agreement signed by plaintiffs and Mr. Pepito Garcia, a treasurer of a corporation of Mrs. Villaluz (Annex "D" of the complaint).

Plaintiffs are seeking the ejectment of the defendants from the premises because the latter have failed and refused and still continuously fail and refuse to vacate the premises despite verbal and written demands the last of which was on March 11, 1989, as evidenced by Annexes 'E', 'F', 'G' and 'H' of the complaint.[9]

Petitioners (other than Villaluz) filed with the Metropolitan Trial Court (MTC) a motion to dismiss the ejectment suit on the ground of lack of jurisdiction, arguing that the complaint was filed beyond the prescribed one (1) year period for instituting an action for unlawful detainer. After trial, the MTC rendered judgment ordering:

defendant and all persons claiming rights under them to vacate the subject premises at 20 Apollo Street, San Gregorio Village, Pasay City, and to surrender the peaceful possession thereof to petitioner's plaintiffs; ordering the said defendants jointly and severally to pay the sum of P10,000.00 a month from April 1, 1988 representing reasonable rentals on the premises, until the said premises is finally vacated; ordering the defendants to pay plaintiffs the sum of P10,000.00 as and by way of attorney's fees and to pay the costs." [10]

However, in a "petition for certiorari, prohibition and mandamus with prayer for TRO and preliminary injunction," the RTC reversed the MTC ruling. Private respondents questioned before the CA (docketed as CA G.R. 20055) the RTC decision via a petition for review.

The CA, after consolidating the appeal (CA G.R. 28780) and petition (CA G.R. 20055), rendered judgment, affirming the trial courts' ruling on the civil aspect of the B.P. 22 case, but set aside the judgment in the ejectment suit. The dispositive portion of the CA decision reads:

WHEREFORE, in CA-G.R. CV NO. 28780, the Decision of the Regional Trial Court of Manila, Branch 9, dated May 25, 1990, as to the civil aspect of Criminal Case No. 89-69257, is hereby AFFIRMED, in all respects. On the other hand, in CA-G.R. SP NO. 20055, the Resolution of the Regional Trial Court of Pasay City, Branch 142, dated February 6, 1990, is hereby SET ASIDE. Defendants-respondents and all persons claiming rights under them are ORDERED to vacate the subject premises at 20 Apollo Street, San Gregorio Village, Pasay City; to surrender the peaceful possession thereof to plaintiffs-petitioners; and to pay the sum of P10,000.00 a month from April 1, 1988, representing the reasonable compensation for the use of the premises, until said premises have been fully vacated, and the amount of P10,000.00 as attorney's fees. Costs against defendants-respondents.

IT IS SO ORDERED.[11]

Hence, this petition whereby petitioner Villaluz assails the finding of the appellate court concerning her civil liability on the B.P. 22 case, claiming that the trial court ruled that she has no liability to private respondents. Alternatively, petitioner Villaluz argues that if she is so liable, the price of the properties she sold to the latter should be set-off with said obligation. She also questions the award of attorney's fees to private respondents.[12] The other petitioners contend that the civil case in B.P. 22 constitutes a pre-judicial question to the ejectment case and that the one-year period for filing the latter suit had already prescribed.

During the pendency of this petition, a counter-attachment bond was filed by petitioner Villaluz before this Court to discharge the attachment earlier issued by the trial court. Said bond amounting to P2.5million was furnished by Security Pacific Assurance, Corp. which agreed to bind itself "jointly and severally" with petitioner for "any judgment" that may be recovered by private respondent against the former.

Upon review of the case, the Court finds the petition unmeritorious.

First, the contention of petitioner Villaluz essentially strikes at a factual question. It is well-settled, however, that cases brought to this Court from the CA are limited to a review of questions of law, as the factual findings thereon are conclusive on this Court.[13] In addition, it is also well-settled that the factual findings of the trial court if supported by substantial evidence on record are likewise conclusive on this Court and even carries more weight when affirmed by the CA.[14] These doctrines find applicability in this case considering that the assailed findings do not fall under any of the recognized exceptions where the lower courts' factual findings are not binding on this Court.[15] No adequate reason appears for the Court to disturb the following ruling of the trial court, to wit:

But the court is convinced the amount reflected in the check was the total obligation due the complainant from the accused at the time it was issued."[16]

as well as those of the appellate court that:

It could not be doubted, however, that accused (petitioner Villaluz) bought a vessel from complainant (Anzures); that accused did not pay the purchase price of the vessel; and that accused issued a check in favor of complainant, in the amount of P2,123,400.00, which, certainly, was the amount of accused's indebtedness to complainant.[17]

Moreover, it is totally misleading for petitioner Villaluz's to say that the trial court found that she has no liability to private respondents. The mere fact that the trial court as affirmed by the CA ordered her to pay P2,123,400.00 to private respondents belies her claim. In addition, it is absurd for her to issue checks[18] in such a huge amount to private respondents had this not been for the satisfaction of a monetary obligation. It is well to emphasize at

this point, that though petitioner was acquitted of the criminal offense, she may still be held civilly liable for the checks she issued. Such pronouncement as to her civil liability is sanctioned under Section 2 of Rule 120 which provides in part:

In case of acquittal, unless there is a clear showing that the act from which the civil liability might arise did not exist, the judgment shall make a finding on the civil liability of the accused in favor of the offended party.”

It is not also disputed that petitioner Villaluz bought a vessel from private respondents where they agreed that payment shall be made upon their arrival in Manila for which the former issued the checks. In turn, petitioner Villaluz allegedly sold to the latter certain properties where the payment thereof will be set-off for the value of the vessel. These circumstances show that petitioner Villaluz is indeed obliged to private respondents for the value of the checks. She cannot claim that the checks were worthless for being issued without consideration. As a negotiable instrument, the checks were presumed to have been issued for some valuable consideration,[19] which presumption petitioner Villaluz failed to controvert.

As for the set-off of obligations, the Court cannot rule on such issue for as the CA appropriately ruled:

neither the accused (petitioner) nor the complainant (private respondents) offered sufficient evidence to support or substantiate their respective allegations. And we could not speculate on matters which were not duly proven. Moreover, it is beyond our competence to take into account and determine said claims and counterclaims. We are only concerned about the civil aspect of the criminal case instituted against accused, for violation of B.P. 22 wherein the civil liability is limited to the face value of the subject check.”[20]

With respect to the issue of attorney’s fees and costs, the CA correctly disposed of the same as follows:

The award of attorney’s fees, and the costs of suit in favor of complainant is justified under Article 2208 of the New Civil Code, the provisions of which are as follows:

‘Art. 2208. In the absence of stipulation, attorney’s fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

xxx xxx xxx

(2) When the defendant’s acts or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;

xxx xxx xxx

(5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff’s valid, just and demandable claim;

considering that accused ignored complainant’s demands for her to pay the purchase price of the vessel, which she bought from complainant, and considering further that the check she issued, not until after several demands made to her, in payment of her obligation bounced for reason of “account closed”, and that she did not make good of said check.”[21]

Anent the ejectment case, the one-year reglementary period under Section 1, Rule 70[22] for filing an unlawful detainer case is counted from the time of the “unlawful deprivation or withholding of possession”. Such unlawful deprivation occurs upon expiration or termination of the right to hold possession. And such right legally expires or terminates upon receipt of the last demand to vacate.[23]

In this case, although possession by petitioners (other than Villaluz) lasted beyond March 31, 1988 (the date they were supposed to vacate the premises in accordance with the agreement between petitioner Villaluz and private

respondents),[24] nevertheless their continued possession from April 1, 1988 up to the time they received the demand to vacate on February 23, 1989,[25] is considered as possession by tolerance. Said petitioners are not lessees but their status is analogous to that of a lessee or tenant whose term of lease has expired but whose occupancy continued by tolerance of the owner. Their right of possession of the said property stems from their being employees of petitioner Villaluz who only allowed them to occupy the premises for a certain period. As such, their possession depends upon the possession of petitioner Villaluz. Having merely stepped into the shoes of the latter, said petitioners cannot acquire superior rights than that of petitioner Villaluz. It has been ruled, that “the person who occupies the land of another at the latter’s tolerance or permission, without any contract between them, is necessarily bound by an implied promise that he will vacate the same upon demand,” otherwise the remedy of ejectment may be availed to oust him from the premises.[26] In such case, the one year prescriptive period for filing the appropriate action to remedy the unlawful withholding of possession is to be counted from the date of receipt of the last demand to vacate[27] because it is only from that time that possession becomes illegal.[28] Accordingly, since the complaint for ejectment was instituted on July 12, 1989,[29] or a mere four (4) months from the time of the last demand to vacate, the same was timely filed within the prescriptive period.

Finally, petitioners (other than Villaluz) argue that the civil aspect in the B.P. 22 case constitutes a pre-judicial question to the ejectment suit because the ownership of the premises subject of the latter suit is allegedly being disputed in the former case. The argument is not meritorious. The ejectment suit can stand on its own regardless of the outcome of the civil case in B.P. 22. The resolution of either is not determinative of the other. This is so because private respondents were already the owners of the properties subject of the ejectment suit by virtue of the Deeds of Sale executed between the former and petitioner Villaluz.[30] The certificates of title issued in their name further confirm their ownership.[31] As owners, they may initiate legal action to recover possession thereof from an occupant who can show no right to occupy the same.

WHEREFORE, premises considered, the decision of the Court of Appeals in the assailed consolidated case is hereby AFFIRMED in toto.

SO ORDERED.

Narvasa, C.J., (Chairman), Davide, Jr., Melo, and Panganiban, JJ., concur.

[1] Bouncing Checks Law.

[2] Court of Appeals Decision, promulgated April 30, 1992 with Justice Jaime Lantin, ponente, and Justices Vicente Mendoza and Serafin Guingona, concurring. (Rollo, pp. 37-56).

[3] Docketed before the Manila RTC Branch 9 as criminal case no. 89-69257 entitled “People of the Philippines vs. Teresita Villaluz”.

[4] CA Decision, pp. 3-5; Rollo, pp. 39-41.

[5] The attachment bond was furnished by Domestic Insurance Company of the Philippines. However, a cease and desist order was later issued by the Insurance Commissioner against said company. (Rollo, p. 376; Annex “A” to Petitioner’s motion for leave to file counter-attachment bond, Rollo, p. 379).

[6] A parcel of land in Cavite and condominium units in San Juan, Manila.

[7] RTC Decision, May 25, 1990; Rollo, pp. 38, 77.

[8] Spouses Reynaldo and Zenaida Anzures vs. Hon. Manuel Dumatol, et. al.

[9] Rollo, pp. 50, 96.

[10] Decision of RTC Pasay City in SP Civil Case No. 7094-P. (Rollo, p. 49).

[11] Rollo, pp. 55-56.

[12] Rollo, p. 17.

[13] Government v. NLRC, 314 Phil. 507; Navarro v. CA, 209 SCRA 612 (1992); The New Testament Church of God v. CA, 316 Phil. 330; Chan v. CA, 33 SCRA 737 (1970).

[14] Meneses v. CA, 316 Phil 210;

[15] Republic v. CA, 258 SCRA 712 (1996). The exceptions are: 1) when the conclusion is a finding grounded entirely on speculation, surmises and conjectures; 2) when the inference is manifestly mistaken, absurd or impossible; 3) when there is a grave abuse of discretion; 4) when the judgment is based on a misapprehension of facts; 5) when the findings of facts are conflicting; 6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; 7) when the findings of the Court of Appeals are contrary to those of the trial court; and 8) when the findings of fact are conclusions without citation of specific evidence on which they are based.

[16] Rollo, p. 20.

[17] CA Decision, p. 6; Rollo, p. 42.

[18] Rollo, p. 127.

[19] Section 24 of the Negotiable Instruments Law (ACT No. 2031).

[20] CA Decision, p. 9; Rollo, p. 45.

[21] CA Decision, pp. 9-10; Rollo, pp. 45-46.

[22] The 1964 Revised Rules of Court.

[23] See Sy Oh v. Hon. Garcia and Lim Chi v. Hon. Garcia, 138 Phil. 777.

[24] Rollo, p. 232.

[25] Rollo, p. 234.

[26] Refugia v. CA, 258 SCRA 347 (1996); Yu v. De Lara, 6 SCRA 785 (1962).

[27] Calubayan v. Pascual, 215 SCRA 146.

[28] See Vda. de Prieto v. Reyes, 14 SCRA 430; Canaynay v. Sarmiento, 79 Phil. 36.

[29] Petition, p. 26; Rollo, p. 33.

[30] Rollo, pp. 71-72; 228-229.

[31] TCT 127633 and 127630, (Rollo, pp. 73-74).

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