

ENCARNACION BACANI, PETITIONER, VS. HON. HIGINIO B. MACADAEG, AS JUDGE OF THE COURT OF FIRST INSTANCE OF MANILA, AND THE SHERIFF OF MANILA, RESPONDENTS.*G.R. No. 11716. April 30, 1959*

Ponente: PADILLA, J.

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This is a petition for certiorari and prohibition.

Petitioner alleges that on 21 September 1955, respondent Rehabilitation Finance Corporation filed in the Municipal Court of Manila a complaint for detainer to recover from her a parcel of land together with the house erected thereon located at No. 209 Padilla street, San Miguel, Manila (civil No. 39651, Annex P); that on 16 November 1955 she filed an answer (Annex P-1) and on 5 January 1956 a supplemental answer to the complaint (Annex P-2); that at the trial, the respondent corporation introduced documentary evidence (Exhibits A, A-1, A-2, B and C) upon which she raised the issue of ownership or title to the parcel of land and house erected thereon involved in the case; that on 7 February 1956, with leave of court, the petitioner filed a motion to dismiss the case for lack of jurisdiction (Annex P-3); that on 10 February 1956 the Municipal Court denied her motion (Annex P-4); that counsel for the petitioner filed a motion for the continuance of the hearing of the case because of previous professional engagement, which was denied; that on 6 March 1956, upon the evidence presented, the Municipal Court rendered judgment ordering the defendant, petitioner herein, to vacate the parcel of land and the house erected thereon, to pay the respondent corporation the sum of P2,700 as rentals in arrears as of 10 May 1955, with interest from the filing of the complaint, and the sum of P140 monthly beginning 11 May 1955 until the premises is vacated, and to pay the costs (Annex P-5); that the petitioner appealed to the Court of First Instance of Manila and reproduced her answer filed in the Municipal Court (case No. 29483, Annex P-6); that on 6 July 1956 the respondent corporation moved for execution of the judgment rendered by the Municipal Court pending appeal for failure of the petitioner to file a supersedeas bond of P4,100 and to pay the monthly rental of P140 (Annex P-7); that on 16 July 1956 the petitioner filed an opposition to the respondent corporation's motion (Annex P-8); that on 18 October 1956 the respondent court granted the respondent corporation's motion (Annexes P-9 ad P-9A); and that on 19 November 1956 a writ of execution was issued directing the respondent sheriff of Manila to oust the petitioner from the premises in question (Annex P-10).

Claiming that as the Municipal Court had no jurisdiction to hear and determine the case, the judgment rendered therein (Annex P-5), the orders of the respondent court of 18 October and 10 November 1956 granting respondent corporation's motion for execution pending appeal (Annexes L-9 and P-9A) and the writ of execution issued to enforce the said judgment and orders (Annex P-10) are null and void, and for that reason the petitioner prays that upon the filing of the required bond, a writ of preliminary injunction be issued enjoining the respondent sheriff from enforcing the writ of execution issued by the respondent court; that after hearing the said writ be declared final and the judgment of the Municipal Court null and void; that the respondent corporation be ordered to pay the costs; and that she be granted other just and equitable relief.

On 3 January 1957 this Court granted the petitioner's prayer for a writ of preliminary injunction upon the filing of a bond in the sum of P1,000. On 12 January 1957 the petitioner filed in this Court an ex-parte urgent petition dated 10 January 1957 praying that as she had already been ousted from the premises, the writ of preliminary injunction therefore issued be amended to make it one of preliminary mandatory injunction. On 1 February 1957 the respondent corporation filed an opposition thereto. On 15 February 1957, this Court granted the petition for a writ of preliminary mandatory injunction upon the filing by her of a bond in the sum of P5,000.

The petitioner was the owner of the parcel of land and the house erected thereon involved in the case. On 16 May 1949 she mortgaged the property to the respondent corporation to secure the payment of a real estate loan in the sum of P9,000. Because of her failure to comply with the terms and conditions of the mortgage, as agreed upon, the respondent corporation foreclosed the mortgage under the provisions of Act No. 3135, as amended. At the public auction sale conducted by the Sheriff of the City of Manila on 10 September 1951, the property was sold to the respondent corporation being: the highest bidder, subject to the petitioner's right to redeem it within one year from date of sale (Annexes A and B). The petitioner continued to occupy and use the house and parcel of land. Because she failed to redeem it within the period of redemption, on 15 April 1953 the respondent corporation consolidated ownership thereof (Annex C). On 29 August 1952 the petitioner offered to repurchase the property for the sum of P10,569.23, payable 20 per cent down, the balance in ten years on a monthly amortization plan with interest at 6 per cent per annum, subject to the following conditions:

- a. That I shall complete the down payment of 20 per cent within two (2) months from the date I receive notice of acceptance by the Corporation, and upon my failure to do so, the RFC may consider the sale to me of the said property automatically cancelled and forfeit any deposit of P700 which shall be applied as rent and/or damages without resorting to judicial action;
- b. That in addition to the monthly amortizations, I shall pay the amount due for realty taxes and insurance premiums, and failure on my part to pay the same within six (6) months from the due date, the RFC may advance the said amount and I shall reimburse the same with interest at 6 per cent; and
- c. That I conform with the conditions appearing in the attached appendix "A".

and deposited with the respondent corporation the sum of P700 to back up her offer (Exhibits A and A-1). Notwithstanding the lapse of the period of redemption, on 15 September 1952 the respondent corporation accepted the petitioner's proposal to repurchase the property for the sum she had offered less P436.32, representing 50 per cent of the penal clause, thereby reducing the repurchase price to P10,132.91, and requested her to remit the balance of 20 per cent of the repurchase price agreed upon or the sum of P1,326.58 (Exhibit A-2). As the petitioner failed to make the remittance to complete payment of the 20 per cent of the repurchase price within two months from receipt of the notice of acceptance, on 19 February 1953 the respondent corporation cancelled the resale of the property to the petitioner. She requested the respondent corporation several extensions of time to complete payment of the 20 per cent of the repurchase price agreed upon and the respondent corporation received from her the sums of P500 on 17 March 1954 and P300 on 10 November 1954, thereby raising her total payments made to only P1,500, leaving a balance of P526.58 still due and unpaid. On 18 January 1955 the respondent corporation notified the petitioner that for failure to complete payment of the 20 per cent of the repurchase price agreed upon, demand was made upon her to pay the sum of P2,420 as rentals due and unpaid and to vacate the premises (Annex D), the contract of resale having been cancelled and the payments therefore made considered as rentals at the rate of P140 monthly.

Paragraph 7 of the conditions to be incorporated in the contract of resale (Appendix A, Exhibit A-1) signed by the petitioner and attached to her offer to repurchase the property, partly states:

7. That pending full payment of the purchase price, advances and interest, the title to the real estate property

and all the improvements thereon shall remain in the name of this Corporation until after said purchase price, advances and interest shall have been fully paid. * * *.

It is, therefore, clear that the ownership of the property in question has never been transferred to the petitioner and has remained in the respondent corporation. By continuing to stay in the premises in question after it was sold to the respondent corporation and the latter acquired absolute ownership thereof, the petitioner merely acquired the status of a lessee. In her offer to repurchase the property (Exhibit A, the petitioner stated that upon failure to complete payment of the 20 per cent of the repurchase price agreed upon, the respondent corporation may consider the sale automatically cancelled and forfeit her deposit of P700 which shall be applied as rent and/or damages without resorting to judicial action. In view thereof the petitioner could not defeat the respondent corporation's title to the property, now that it is the absolute owner thereof and the contract to resell considered automatically cancelled. In actions of forcible entry and detainer, it is a well-established rule that mere filing of an answer, claiming title to the premises involved or raising the question of ownership, will not divest a justice of the peace court of its jurisdiction.[1]

Moreover, her letter dated 18 December 1956 addressed to the respondent corporation, written on the very day this petition was filed in this Court and worded as follows:

In connection with the ejectment case against me, I have the honor to request for the postponement of its enforcement today and therefore request up to December 30, 1956 in order to enable me to look for a place to live in. I hereby promise to surrender the peaceful possession of the property on that date to the Rehabilitation Finance Corporation thru any of its representative. (Annex R-2) renders the petitioners unworthy of the relief prayed for in this proceedings.

The petition for a writ of certiorari and prohibition is denied and the writ of preliminary mandatory injunction heretofore issued dissolved, with costs against the petitioner.

Paras, C. J., Bengzon, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, and Endencia, JJ., concur.

[1] Supia vs. Quintero, 59 Phil., 312, 321; De los Reyes vs. Elepaño, G. R. No. L-3466, 13 October 1950; Lo Soo vs. Osorio, 89 Phil., 135; Andres vs. Soriano, 54 Off. Gaz., 2506.

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