

**RUPERTO LUCERO, JR., PABLO LUCERO AND ANTONIO TENORIO,
PETITIONERS, VS. CITY GOVERNMENT OF PASIG, AS REPRESENTED
BY THE MARKET ADMINISTRATOR, RESPONDENT.**

G.R. NO. 132834. November 24, 2006

Ponente: CORONA, J.

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CORONA, J.:

In this petition for review on certiorari, petitioners seek the review and reversal of the Court of Appeals (CA) decision[1] and resolution[2] in CA-G.R. SP. No. 42131.

Petitioners were granted lease contracts to occupy and operate stalls[3] in the public market of Pasig by virtue of Municipal Ordinance No. 25, series of 1983.

Sometime in 1993, the municipal government of Pasig renovated the market facilities and constructed annex buildings to the old public market. The Sangguniang Bayan of Pasig then enacted Municipal Ordinance No. 56, series of 1993, entitled "An Ordinance Prescribing the Rules and Regulations in Occupying and Using Market Stalls and Providing Penalties for Violations Thereof." The ordinance took effect 30 days after its enactment on October 20, 1993.

Pursuant to the new ordinance, municipal officials urged all stall occupants to fill up and submit the necessary application forms. The application form contained the terms and conditions for the occupation and operation of the stalls. If approved, the application would serve as the lease contract.

Petitioners, however, refused to apply for a new lease on their market stalls. They were given a deadline to comply with the new ordinance but petitioners were adamant.

On November 14, 1995, the city government of Pasig[4] filed a complaint for ejectment against petitioners in the Metropolitan Trial Court (MTC), Branch 68, Pasig City. The case was docketed as Civil Case No. 5043.

In its complaint, the city government alleged that petitioners failed to pay the required P10,000 performance bond and their rental fees since January 1994 as required by the municipal ordinance.

In their answer, petitioners claimed that they had faithfully complied with their obligations as set forth in their 1983 lease contracts. They alleged that it was the city government which refused to accept their rental payments from January 1994 onwards because of petitioners' failure to submit new applications to lease their market stalls. They did not pay the performance bond because, as previous stall occupants, they were not required to do so. With due notice to the city treasurer, petitioners deposited their payments in a bank when their offer to pay was not acted upon.

Finding the ejectment suit to be without merit, the MTC ruled in favor of petitioners and dismissed the complaint.[5]

Dissatisfied with the lower court's decision, the city government appealed to the Regional Trial Court (RTC),

Branch 162, Pasig City.[6] The RTC reversed the MTC decision and decided in favor of the city government.

WHEREFORE, PREMISES CONSIDERED, this Court hereby renders judgment in this case in favor of [the City Government of Pasig] and against [petitioners] by:

(1) Reversing, amending and/or modifying the decision of the trial court dated March 29, 1996 subject of this appeal, and entering a new judgment directing the herein [petitioners] and all persons claiming right under them to vacate the Market Stalls Nos. 28 and 29, Commercial Section, and Stall [Nos.] 456 and 457, Grocery Section, and to restore possession thereof to [the city government];

(2) Ordering the [petitioners] to pay the rent for the use and occupancy of the subject stalls, as follows:

(a) Ruperto Lucero – the amount of P49,980.00 representing arrearages for the whole year of [January 1994 up to September 1995]; and the further sum in the same amount representing rents for the inclusive period of [October 1995 up to and until September 1996];

(b) Pablo Lucero – the amount of P20,050.00 representing arrearages from [February 1995 up to September 1995]; and the further sum in the same amount representing rents for the duration of October 1995 to September 1996;

(c) Antonio Tenorio – the amount of P38,587.50 representing arrearages from January 1994 to September 1995; and the further sum in the same amount representing rents for the inclusive period [of] October 1995 to September 1996.

(3) Ordering [petitioners] to pay jointly and severally the amount of P15,000.00 for and as attorney's fees.

With costs against [petitioners].

SO ORDERED.[7]

Petitioners appealed the RTC decision to the CA. The appeal was, however, dismissed for lack of merit.[8] Their motion for reconsideration was similarly denied;[9] hence, this petition.

Petitioners mainly assail the non-renewal of their lease contracts on stalls in the public market when they did not comply with the requirements of Municipal Ordinance No. 56, series of 1993.[10] They claim to have a vested right to the possession, use and enjoyment of the market stalls based on their 1983 lease contracts. This, they assert, could not be impaired by the enactment of Municipal Ordinance No. 56 in 1993.

The only issue for our resolution is: can petitioners claim a vested right to the market stalls they were occupying by virtue of their lease contracts under Municipal Ordinance No. 25, series of 1983? They cannot.

"A right is vested when the right to enjoyment has become the property of some particular person or persons as a present interest." [11] It is unalterable, absolute, complete and unconditional.[12] This right is perfect in itself; it is not dependent upon a contingency.[13] The concept of "vested right" expresses a "present fixed interest which in right reason and natural justice is protected against arbitrary state action." [14] It includes not only legal and equitable title to the enforcement of a demand but also exemptions from new obligations created after the right has become vested.[15]

Contrary to petitioners' contention that they were no longer covered by the 1993 ordinance requiring payment of a performance bond and submission of new application forms, their 1983 lease contracts did not grant them irrefutable rights to the market stalls. They were mere grantees of a privilege to occupy and operate such booths.

What petitioners had was a license to occupy and operate particular stalls over a period of time. Their possession and use of these facilities could not be characterized as fixed and absolute. Indeed, petitioners did not have any

vested right to the stalls.

It was within the ambit of the Sanggunian's authority in the exercise of police power to regulate the enjoyment of the privilege to lease the market stalls. The enactment of the Municipal Ordinance No. 56, series of 1993 repealing Municipal Ordinance No. 25, series of 1983 (the basis of petitioners' lease) was a valid exercise of such governmental authority to regulate the possession and use of the public market and its facilities.[16]

The lease (and occupation) of a stall in a public market is not a right but a purely statutory privilege governed by laws and ordinances.[17] The operation of a market stall by virtue of a license is always subject to the police power of the city government.[18] An application for this privilege may be granted or refused for reasons of public policy and sound public administration.[19] The city government, through its market administrator, is not duty-bound to grant lease privileges to any applicant, least of all those who refuse to obey the new ordinance prescribing the rules and regulations for the market stalls.

Moreover, a public market is one dedicated to the service of the general public and operated under government control and supervision as a public utility.[20] Hence, the operation of a public market and its facilities is imbued with public interest. Petitioners' 1983 lease contracts contained an implied reservation of the police power as a postulate of the existing legal order.[21] This power could be exercised any time to change the provisions of the contracts or even abrogate them entirely, for the protection of the general welfare.[22] Such an act did not violate the non-impairment clause which is anyway subject to and limited by the paramount police power.

WHEREFORE, the petition is hereby DENIED.

Costs against petitioners.

SO ORDERED.

Puno,(Chairperson), Sandoval-Gutierrez, Azcuna, and Garcia, JJ., concur.

[1] Penned by Associate Justice Gloria C. Paras (retired) and concurred in by Associate Justices Lourdes Tayao-Jaguros (retired) and Oswaldo D. Agcaoili (retired) of the Special Third Division of the Court of Appeals. Annex "A"; rollo, pp. 16-21.

[2] Penned by Associate Justice Oswaldo D. Agcaoili (retired) and concurred in by Associate Justices Corona Ibay-Somera (retired) and Rodrigo V. Cosico of the Seventeenth Division of the Court of Appeals. Annex "B"; id., p. 24.

[3] In particular, petitioners were lessees of the following market stalls in the Pasig Public Market:

- Ruperto Lucero, Jr. – Market Stall No. 29, Commercial Section;
- Pablo Lucero – Market Stall Nos. 456 and 457, Grocery Section;
- Antonio Tenorio – Market Stall No. 28, Commercial Section. (MTC Decision, Annex "D"; id., p. 31.)

[4] The municipality of Pasig was converted into a highly urbanized city known as the City of Pasig by virtue of RA 7829 enacted on December 8, 1994.

[5] Penned by Judge Maria Cristina J. Cornejo of MTC, Branch 68, Pasig City; Annex "D"; rollo, pp. 31-36.

[6] Docketed as Civil Case No. SCA-1097.

[7] Penned by Judge Manuel S. Padolina of RTC, Branch 162, Pasig City; Annex "E"; rollo, pp. 38-47.

[8] Supra note 1.

[9] Supra note 2.

[10] Petition, rollo, p. 6.

[11] Ayog v. Cusi, 204 Phil. 126 (1982).

[12] Jovellanos v. Court of Appeals, G.R. No. 100728, 18 June 1992, 210 SCRA 126, 134.

[13] Id. Citation omitted.

[14] Ayog v. Cusi, supra.

[15] Lahom v. Sibulo, 453 Phil. 270 (2003).

[16] The repealing clause of the 1993 ordinance, found in Section 2, Chapter VII, provided:

REPEALING CLAUSE – All ordinances and/or resolutions or parts thereof which are inconsistent with the provisions hereof are hereby repealed or modified accordingly. However, those that are not affected shall remain valid and enforceable. (RTC Decision, Annex "E," rollo, p. 40.)

[17] Navarro v. Lardizabal, 134 Phil. 331 (1968).

[18] Aprueba v. Ganzon, 124 Phil. 574 (1966).

[19] Id.

[20] Javellana v. Kintanar, 201 Phil. 205, 210 (1982).

[21] Villanueva v. Castañeda, Jr., G.R. No. L-61311, 21 September 1987, 154 SCRA 142, 152.

[22] Id.

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