

**GELLIA ALTIZO, SPOUSES ABELARDO AND MARITA
“NENITA” AMBRONA, SPOUSES CARLOS AND NORA
APALAD AND SPOUSES ALVIN AND JUDY APALAD, PETITIONERS, VS.
BRYC-V DEVELOPMENT CORPORATION, R...**

G.R. NO. 143530. September 26, 2006

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Sea Foods Corporation Inc. (SFC) was the registered owner of a parcel of land, identified as Lot 300 containing an area of 61,736 square meters situated at Seaside, Lower Calarian, Zamboanga City, under Transfer Certificate of Title No. T-3182 (T-576)[1] issued on September 21, 1939.

It appears that in the early 60s, herein petitioners Gellia Altizo et al. started to occupy a portion of Lot 300.[2]

In 1989, petitioners, together with other occupants of a portion of Lot 300, organized themselves into an association, United Muslim Christian Urban Poor Association, Inc. (UMCUPAI), purposely to negotiate for the acquisition of Lot 300.[3]

On October 4, 1991, SFC and UMCUPAI entered into an agreement denominated as "Letter of Intent to Sell by Landowner and Letter of Intent to Purchase by the UMCUPAI" (Letter of Intent), the pertinent provisions of which read:

- That LANDOWNER expressly declares its intention to sell Lot No. 300 with an area of 61,736 square meters situated in Lower Calarian, Zamboanga City and covered by TCT No. [T-3182 T-]576 of the registry of Deeds of Zamboanga City to UMCUPAI at the price of P105.00 per square meter, free from all liens and encumbrances;
- That UMCUPAI hereby expressly declares its intention to buy the aforesaid property and shall endeavor to raise the necessary funds to acquire [the] same at the abovementioned price of P105.00 per square meter;
- That the Absolute Deed of Sale shall be executed, signed and delivered together with the title and all other pertinent documents upon full payment of the purchase price.[4] (Underscoring supplied);

SFC later subdivided Lot 300 into three lots: Lot 300-A, Lot 300-B and Lot 300-C for which TCT No. T-117, 448, TCT No. T-117, 449, and TCT No. T-117, 450 were issued, respectively.

It appears that on January 11, 1995 SFC sold Lot 300-A to UMCUPAI.[5]

Subsequently or on July 20, 1995, SFC sold to BRYC-V Development Corporation (BRYC-V) Lot 300-C where petitioners had constructed their houses. Over the objection of UMCUPAI, BRYC-V (hereafter respondent) was issued Transfer Certificate of Title No. T-121[,]523 in its name.[6] Respondent later asked, verbally and in writing, petitioners to vacate Lot 300-C but they refused.

Respondent thus filed a complaint for unlawful detainer against petitioners before the Municipal Trial Court (MTC) in Zamboanga City.[7]

By Decision[8] of November 11, 1996, the MTC rendered judgment in favor of respondent.

On appeal, Branch 15 of the Regional Trial Court (RTC) of Zamboanga City reversed the decision of the MTC, it holding that respondent is bound to respect SFC and UMCUPAI's Letter of Intent which effectively changed the character of petitioners' physical possession of Lot 300-C from mere tolerance to granting UMCUPAI, of which petitioners are members, the right of first refusal or the preferential right to buy said lot.[9]

Respondent thus elevated the case to the Court of Appeals.

By Decision[10] of March 8, 1999, the appellate court reversed the RTC decision, it holding that respondent, as the registered owner of Lot 300-C, is entitled to possess it to the exclusion of petitioners whose occupation thereof is merely on the tolerance[11] of the previous owner SFC; and the Letter of Intent did not have the effect of transferring ownership and possession of Lot 300 to petitioners, it being a mere manifestation of SFC's intention to sell it to UMCUPAI.[12]

Petitioners' motion for a reconsideration of the appellate court's decision having been denied by Resolution of August 27, 1999, they filed the present petition for review.[13]

Petitioners proffer that under the Letter of Intent, they have every right to remain in Lot 300-C,[14] SFC having obliged to convey it to UMCUPAI in the same way that it was obliged to buy, as it did, Lot 300-A.

The petition must fail.

Petitioners' occupation of subject lot was on the mere tolerance of the previous owner SFC. Such right to occupy ceased when the SFC sold the subject lot to respondent which has been issued a title thereto, hence, entitled to its possession.[15] Petitioners having withheld possession of subject lot, despite respondent's demand, they have become deforciant occupants.

Petitioners' claim that they can continue to possess the subject lot, they having been granted by the previous owner preferential right to buy Lot 300 under the Letter of Intent, does not lie. No right of possession, which is the only issue in an unlawful detainer case, arises from such Letter of Intent which, as it clearly states, merely signifies intent to, not actually transfer ownership.

WHEREFORE, the petition is DENIED, and the assailed Decision and the Resolution of the Court of Appeals are AFFIRMED.

Costs against petitioners.

SO ORDERED.

Quisumbing, (Chairperson), Carpio, Tinga, and Velasco, Jr., JJ., concur.

[1] CA rollo, p. 198.

[2] Id. at 199.

[3] Ibid.

[4] Regional Trial Court (RTC) records, pp. 135-136.

[5] Id. at 138-139.

[6] Id. at 7.

[7] Id. at 1-6.

[8] Id. at 194-206.

[9] Id. at 236.

[10] CA rollo, pp. 198-204, penned by Associate Justice Rodrigo V. Cosico and concurred by Associate Justices Artemon D. Luna and Delilah Vidallon-Magtolis.

[11] Id. at 202.

[12] Ibid.

[13] Rollo, pp. 2-23.

[14] Id. at 137-138.

[15] Javelosa v. Court of Appeals, 333 Phil. 331, 343 (1996).

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