HEIRS OF ANTONIO FERAREN, REPRESENTED BY ANTONIO FERAREN, JR., JUSTINA FERAREN-TABORA, LEAH FERAREN-HONASAN, ELIZABETH MARIE CLAIRE FERAREN-ARRASTIA, MA. TERESA FERAREN-GONZALES...

G.R. No. 159328. October 05, 2011

Ponente: PERALTA, J.

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PERALTA, J.:

Before the Court is a petition for review on certiorari under Rule 45 of the Rules of Court seeking the reversal and setting aside of the May 21, 2003 Decision[1] and the July 17, 2003 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 71372. The assailed CA Decision reversed and set aside the Decisions of the Municipal Trial Court (MTC) of San Fernando City, La Union, Branch 2 in Civil Case No. 3463[3] and the Regional Trial Court (RTC) of San Fernando City, La Union, Branch 26 in Civil Case No. 6617,[4] while the questioned CA Resolution denied petitioners' Motion for Reconsideration.

The factual and procedural antecedents of the case are as follows:

On May 25, 1999, herein private respondent Celia Tadiar (Celia) filed with the MTC of San Fernando, La Union a Complaint for Unlawful Detainer against herein petitioners Heirs of Antonio Feraren. In said Complaint, Celia alleged that she and her three brothers are co-owners of a 1,200 square meter parcel of land located in the poblacion of San Fernando City in La Union; that on September 21, 1960, the said lot was sold by their father to the spouses Antonio and Justina Feraren (Spouses Feraren) on pacto de retro; it was stipulated that the right to repurchase may be exercised within ten years; on August 31, 1970, Celia and her co-heirs re-acquired the subject property; thereafter, the lot was leased on a month-to-month basis to the Spouses Feraren who have constructed a residential house thereon; that sometime in March 1992, Celia and her co-heirs informed the Spouses Feraren of their intention to terminate their lease contract; the Spouses Feraren, in turn, offered to sell them their house or buy the subject lot, which offers were declined by Celia and her co-heirs and, instead, allowed the Spouses Feraren to continue renting the property; after the death of Antonio in 1995, herein petitioners requested Celia and her co-heirs to extend the lease until June 30, 1997 and even volunteered to temporarily vacate the said property; Celia and her co-heirs agreed and they did not even increase the rentals; nonetheless, petitioners failed to comply with their commitment to temporarily vacate; they continued to stay within the premises of the subject property and refused to vacate the same notwithstanding repeated demands from Celia and her co-heirs.[5]

In their Answer, herein petitioners contended that a 128-square-meter portion of the lot being claimed by private respondent is their property; even before the Spouses Feraren entered into a contract of sale with pacto de retro with the father of Celia, the former were already in possession of the remaining portion of the subject property on the strength of a lease contract executed in their favor by the latter in 1949; their construction of a residential house on the subject property was by virtue of a right granted under the said contract of lease; petitioners were very much willing to vacate the disputed lot but only upon payment of the value of all the improvements that they

have legally introduced as builders in good faith on the said lot, which includes the house presently standing thereon as well as the concrete fence surrounding the said house; in the alternative, they offered to buy the parcel of land subject of the complaint.[6]

For failure of the parties to arrive at an amicable settlement, the MTC, in its Order[7] dated November 3, 2000, directed them to submit their position papers and other evidence within ten (10) days from receipt of a copy of the said Order.

Private respondent did not file a position paper.

On the other hand, petitioners filed their Position Paper[8] on March 15, 2001. Petitioners alleged therein that their parents are builders in good faith having built their house on the lot in question during the time that they were the owners of the disputed lot.

On June 15, 2001, the MTC rendered its Decision dismissing the complaint for unlawful detainer. The trial court gave credence to petitioners' contention that their parents built the house in controversy on the subject lot while they were the owners of the said lot. As such, the MTC held that as long as private respondent refuses to reimburse petitioners of the value of the improvements they have introduced on the lot in question, they (petitioners) may not be compelled to vacate the same.

On appeal, the RTC of San Fernando City, La Union, in its Decision dated January 28, 2002, affirmed in toto the judgment of the MTC.

Private respondent then filed a petition for review with the CA.

On May 21, 2003, the CA promulgated its presently assailed Decision, the dispositive portion of which reads as follows:

> WHEREFORE, premises considered, the judgment rendered by the Municipal Trial Court of San Fernando City, La Union in Civil Case No. 3463 and the Decision rendered by the Regional Trial Court of La Union in the same case are both REVERSED and SET ASIDE. A new judgment is hereby rendered:
>
> 1. Declaring the respondents not entitled to reimbursement for the cost of their residential house built on the land owned by the petitioner; and
>
> 2. Directing the respondents to vacate the premises and restore possession thereof to the petitioner.
>
> **SO ORDERED.[9]**

The CA based its Decision on its finding that the subject residential house was built during the time petitioners' parents were lessees of the lot in question.

Petitioners filed a Motion for Reconsideration, but the same was denied by the CA via its Resolution dated July 17, 2003.

Hence, the present petition with the following assignment of errors:

> I
>
> THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT THE PETITIONERS ADMITTED IN THEIR ANSWER THAT THEIR RESIDENTIAL HOUSE WAS CONSTRUCTED DURING THE LIFETIME OF THE LEASE CONTRACT AND NOT DURING THE 10-YEAR PERIOD WHEN THE LOT WHERE IT STOOD WAS SOLD UNDER PACTO DE RETRO TO THE PETITIONERS' PARENTS AS SHOWN BY UNREBUTTED EVIDENCE.

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II

THE RESPONDENT COURT ERRED IN REVERSING THE DECISIONS OF THE REGIONAL TRIAL COURT AND THE MUNICIPAL TRIAL COURT OF SAN FERNANDO CITY, LA UNION.[10]

Petitioners allege in the instant petition that the house presently standing on the subject parcel of land is different from the house built on the same lot in 1949. Petitioners insist on their claim that the house built at the time that their parents were lessees of the subject property in 1949 was demolished to give way to the construction of the present house which was erected sometime in the late 1960's when the said lot was then owned by their parents by virtue of the pacto de retro sale executed in the latter's favor on September 21, 1960.

The Court finds the petition unmeritorious.

At the outset, the Court notes that the issues raised in the present petition are essentially questions of fact. It is fundamental that a petition for review on certiorari filed with this Court under Rule 45 of the Rules of Court shall, as a general rule, raise only questions of law and that this Court is not duty-bound to analyze again and weigh the evidence introduced in and considered by the tribunals below.[11] However, there are recognized exceptions to this rule, to wit:

(a) When the findings are grounded entirely on speculation, surmises, or conjectures;

(b) When the inference made is manifestly mistaken, absurd, or impossible;

(c) When there is grave abuse of discretion;

(d) When the judgment is based on a misapprehension of facts;

(e) When the findings of facts are conflicting;

(f) When in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee;

(g) When the CA’s findings are contrary to those by the trial court;

(h) When the findings are conclusions without citation of specific evidence on which they are based;

(i) When the facts set forth in the petition as well as in the petitioner’s main and reply briefs are not disputed by the respondent;

(j) When the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or

(k) When the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[12]

In the present case, the findings of the MTC and the RTC are contrary to those made by the CA. The RTC affirmed the findings of the MTC that the subject house which is presently standing on the disputed parcel of land was built at the time that the ownership of the said lot was in the name of petitioners' parents. The CA, on the other hand, ruled that the abovementioned house was constructed when petitioners' parents were in possession of the lot in question as lessees. Thus, this Court's review of such findings is warranted.

A careful review of the records and the evidence presented in the instant case shows that the CA did not commit error in finding that the house in question was built at the time petitioners' parents possessed the subject lot as lessees.

Firstly, the Court agrees with the CA that petitioners' Position Paper and the affidavits of its witnesses should not have been considered by the trial courts since these were filed beyond the 10-day reglementary period required under Section 10, Rule 70 of the Rules of Court and Section 9 of the Revised Rule on Summary Procedure.[13] Petitioners do not dispute the appellate court's finding that they submitted their position paper and affidavits more than three months after the deadline set by the abovementioned rules. In this regard, this Court, in Teraña v. De Sagun,[14] held as follows:

> x x x By its express terms, the purpose of the RSP [Revised Rule on Summary Procedure] is to "achieve an expeditious and inexpensive determination" of the cases they cover, among them, forcible entry and unlawful detainer cases. To achieve this objective, the RSP expressly prohibit[s] certain motions and pleadings that could cause delay, among them, a motion for extension of time to file pleadings, affidavits or any other paper. If the extension for the filing of these submissions cannot be allowed, we believe it illogical and incongruous to admit a pleading that is already filed late. Effectively, we would then allow indirectly what we prohibit to be done directly. It is for this reason that in Don Tino Realty Development Corporation v. Florentino [G.R. No. 134222, September 10, 1999, 314 SCRA 197], albeit on the issue of late filing of an answer in a summary proceeding, we stated that "[t]o admit a late answer is to put a premium on dilatory measures, the very mischief that the rules seek to redress."
>
> The strict adherence to the reglementary period prescribed by the RSP is due to the essence and purpose of these rules. The law looks with compassion upon a party who has been illegally dispossessed of his property. Due to the urgency presented by this situation, the RSP provides for an expeditious and inexpensive means of reinstating the rightful possessor to the enjoyment of the subject property. This fulfills the need to resolve the ejectment case quickly. x x x [15]

As noted by the CA, petitioners did not even bother to file a motion asking the trial court to admit their position paper which was belatedly filed. Indeed, the record is barren of any evidence to show that petitioners, at least, tried to offer any explanation or justification for such delay. They simply ignored the Rules. This Court has previously held that technical rules may be relaxed only for the furtherance of justice and to benefit the deserving.[16] Moreover, rules of procedure do not exist for the convenience of the litigants.[17] These rules are established to provide order to and enhance the efficiency of our judicial system.[18] They are not to be trifled with lightly or overlooked by the mere expedience of invoking "substantial justice."[19] In a long line of decisions, this Court has repeatedly held that, while the rules of procedure are liberally construed, the provisions on reglementary periods are strictly applied, indispensable as they are to the prevention of needless delays, and are necessary to the orderly and speedy discharge of judicial business.[20] In the instant case, petitioners' complete disregard of the Rules of Court and of the Revised Rule on Summary Procedure only shows that they are not deserving of their relaxation. Hence, the MTC erred in admitting petitioners' position paper and taking the same into consideration in rendering its judgment.

In any case, the Court finds no error in the ruling of the CA that petitioners' statement in their Answer, that their parents built the subject residential house as lessees under the authority given to them by private respondent's father in their contract of lease executed in 1949, is a judicial admission. Under Section 4, Rule 129 of the Rules of Court,[21] petitioners may not contradict this judicial admission unless they are able to show that it was made through palpable mistake or that no such admission was made. In the instant case, petitioners' subsequent claim in their Position Paper that their house was built during the time that their parents were the owners of the disputed lot is a direct contradiction of their judicial admission in their Answer. However, petitioners failed to prove that such admission was made through palpable mistake or that no such admission was made. Hence, they may not contradict the same.

Aside from the abovementioned admission made by petitioners in their Answer, there is nothing in the said

Answer which claims that the subject house was constructed when petitioners' parents were the owners of the disputed lot. Neither was there any allegation nor even a hint that a house was first built on the lot in question in 1949 and that the same was demolished in the late 1960s to give way to the construction of the house which is presently standing on the disputed lot.

Thus, it appears from all indications that petitioners' claims and allegations in their Position Paper contradicting their admission in their Answer are mere afterthought subsequent to realizing that they could not recover the full value of the house based on their acknowledgment that the same was erected at the time that their parents were lessees of the disputed parcel of land.

At this juncture, it would not be amiss to reiterate that the rights of a lessee, like petitioners in the present case, are governed by Article 1678 of the Civil Code, which reads:

> Art. 1678. If the lessee makes, in good faith, useful improvements which are suitable to the use for which the lease is intended, without altering the form or substance of the property leased, the lessor upon the termination of the lease shall pay the lessee one-half of the value of the improvements at that time. Should the lessor refuse to reimburse said amount, the lessee may remove the improvements, even though the principal thing may suffer damage thereby. He shall not, however, cause any more impairment upon the property leased than is necessary.
>
> With regard to ornamental expenses, the lessee shall not be entitled to any reimbursement, but he may remove the ornamental objects, provided no damage is caused to the principal thing, and the lessor does not choose to retain them by paying their value at the time the lease is extinguished.

Hence, under Article 1678, the lessor has the option of paying one-half of the value of the improvements that the lessee made in good faith, which are suitable to the use for which the lease is intended, and which have not altered the form and substance of the land. On the other hand, the lessee may remove the improvements should the lessor refuse to reimburse.[22]

It appears, nonetheless, that in her Complaint, private respondent prayed for the demolition of petitioners' residential house constructed on the subject lot. It is, thus, clear that private respondent does not want to appropriate the improvements. As such, petitioners cannot compel her to reimburse to them one-half of the value of their house. The sole right of petitioners under Article 1678 then is to remove the improvements without causing any more damage upon the property leased than is necessary.

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

SO ORDERED.

Velasco, Jr., (Chairperson), Abad, Mendoza, and Perlas-Bernabe, JJ., concur.

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[1] Penned by Associate Justice Eliezer R. de los Santos, with Associate Justices Romeo A. Brawner and Regalado E. Maambong, concurring; CA rollo, pp. 168-174.

[2] Id. at 191.

[3] Records, pp. 67-70.

[4] Id. at 107-113.

[5] Id. at 2-7.

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[6] Id. at 22-24.

[7] Id. at 48.

[8] Id. at 49-66-A.

[9] CA rollo, p. 173.

[10] Rollo, p. 16.

[11] Heirs of Felicidad Vda. de De la Cruz v. Heirs of Pedro Fajardo, G.R. No. 184966, May 30, 2011; Josefa S. Abalos and Development Bank of the Philippines v. Spouses Lomantong Darapa and Sinab Dimakuta, G.R. No. 164693, March 23, 2011; Sevilla v. Court of Appeals, G.R. No. 150284, November 22, 2010, 635 SCRA 508, 514.

[12] Spouses. Moises and Clemencia Andrada v. Pilhino Sales Corporation, represented by its Branch Manager, Jojo S. Saet, G.R. No. 156448, February 23, 2011. (Emphasis ours.)

[13] Sec. 10. Submission of affidavits and position papers. – Within ten (10) days from receipt of the order mentioned in the next preceding section, the parties shall submit the affidavits of their witnesses and other evidence on the factual issues defined in the order, together with their position papers setting forth the law and the facts relied upon by them. (The same provisions appear under Section 9 of the Revised Rule on Summary Procedure)

[14] G.R. No. 152131, April 29, 2009, 587 SCRA 60.

[15] Id. at 71-72.

[16] Barangay Dasmariñas, thru Barangay Captain Ma. Encarnacion R. Legaspi v. Creative Play Corner School, et al., G.R. No. 169942, January 24, 2011.

[17] Villa v. Heirs of Enrique Altavas, G.R. No. 162028, July 14, 2008, 558 SCRA 157, 166.

[18] Id.

[19] Id.

[20] Id.

[21] Sec. 4. Judicial admissions. – An admission, verbal or written, made by a party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.

[22] Sulo sa Nayon Inc. v. Nayong Pilipino Foundation, G.R. No. 170923, January 20, 2009, 576 SCRA 655, 666.

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