

ROMEO MENDOZA, PETITIONER, VS. THE COURT OF APPEALS AND MANOTOK SERVICES, INC., ALLEGEDLY REPRESENTED BY ATTORNEY-IN-FACT PERPETUA BOCANEGRA, RESPONDENTS.*G.R. NO. 160014. February 18, 2005*

Ponente: PUNO, J.

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This case originated from the complaint for ejectment filed before the Metropolitan Trial Court (MeTC) of Manila on July 31, 1996 by respondent Manotok Services, Inc. (Manotok) against petitioner's father, Benjamin Mendoza, and all those claiming rights under him.

In the amended complaint, Manotok impleaded herein petitioner Romeo Mendoza as defendant. It alleged that Manotok was the administrator of a parcel of land which it leased to Benjamin Mendoza; that the contract of lease expired on December 31, 1988; that even after the expiration of the lease contract, Benjamin Mendoza, and after his demise, his son, Romeo, continued to occupy the premises and thus incurred a total of P44,011.25 as unpaid rentals from January 1, 1989 to July 31, 1996; that on July 16, 1996, Manotok made a demand on Benjamin Mendoza to pay the rental arrears and to vacate the premises within fifteen (15) days from receipt of the demand letter; that despite receipt of the letter and after the expiration of the 15-day period, the Mendozas refused to vacate the property and to pay the rentals. The complaint prayed that the court order Mendoza and those claiming rights under him to vacate the premises and deliver possession thereof to Manotok, and to pay the unpaid rentals from January 1, 1989 to July 31, 1996 plus P875.75 per month starting August 1, 1996, subject to such increase allowed by law, until he finally vacates the premises.[1]

In his answer to the amended complaint, petitioner admitted that Manotok was the lessor of the property subject of this case, but denied knowledge about the lease contract allegedly executed by Manotok and his father, and the unpaid rentals on the property. As special and affirmative defense, petitioner argued that the demand made by Manotok did not bind him because it was addressed to his father and the amount of rental has been unconscionably increased to compel him to leave the premises; that the lease contract was obnoxious to existing social legislation and proclamations, i.e., PD 2016, PD 1517, LOI 1204 and RA 7279; that petitioner and his predecessor-in-interest have been in continuous possession of the property for more than twelve (12) years, and therefore, may no longer be ejected therefrom as he is protected by said laws and proclamations as bona fide tenant-occupant. Petitioner also questioned the validity of Manotok's title to the property for being allegedly spurious.[2]

The MeTC ruled in favor of respondent Manotok. It held that petitioner Romeo Mendoza, as successor of his father, merely stepped into the shoes of his predecessor who was a lessee on the property in question. Hence, petitioner was also a mere lessee and cannot claim ownership of the property. The MeTC ordered petitioner to vacate the property, to pay the amount of P44,011.22 as compensation for the use of the premises from January 1, 1989 to July 31, 1996 plus P875.75 per month for the succeeding months until the property is vacated, and to pay

P5,000.00 as attorney's fees, plus costs of suit.[3]

The Regional Trial Court (RTC), however, reversed the decision of the MeTC. It held that Manotok failed to show that it had superior and better right to possess the subject property than Mendoza. It said that Manotok failed to show sufficient proof of ownership over the land in question, while Mendoza presented documents to prove actual possession of the questioned property for almost thirty (30) years. The RTC dismissed the complaint for ejectment.[4]

When the case was elevated to the Court of Appeals, the appellate court reversed the decision of the RTC and reinstated the MeTC decision.[5]

Hence this petition.

Petitioner raised the following assignments of error:

- The Honorable Court of Appeals committed error in giving efficacy to a lease contract signed in 1988 when the alleged signatory was already dead since 1986.

- The jurisdictional demand to vacate under Section 2 of Rule 70 was addressed to a dead person only on July 16, 1996 when said person was already dead in 1986.

- The Honorable Court of Appeals was right in its observation that "in the event that the issue of ownership is raised in the pleadings, such issue shall be taken up only for the limited purpose of determining who between the contending parties has the better right of possession." The Honorable Court of Appeals did not apply this observation.[6]

The petition must be denied.

This is a case for unlawful detainer. It appears that respondent corporation leased the property subject of this case to petitioner's father. After expiration of the lease, petitioner continued to occupy the property but failed to pay the rentals. On July 16, 1996, respondent corporation made a demand on petitioner to vacate the premises and to pay their arrears.

An action for unlawful detainer may be filed when possession by a landlord, vendor, vendee or other person of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession by virtue of a contract, express or implied.[7] The only issue to be resolved in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties involved.[8]

In the case at bar, petitioner lost his right to possess the property upon demand by respondent corporation to vacate the rented lot. Petitioner cannot now refute the existence of the lease contract because of his prior admissions in his pleadings regarding his status as tenant on the subject property. We agree with the observation of the Court of Appeals, thus:

Evidently, there is no need to resolve the issue of ownership in this case, since it is not required to determine the issue of possession. Moreover, there is no issue as to who has the better right of possession inasmuch as the respondent himself admitted in his pleadings that indeed Manotok Services, Inc., is the lessor while he is merely the tenant-occupant of the property. The respondent alleged in his pleading, "that being a bona fide tenant-occupant, (Romeo Mendoza) he is now entitled to the protection of all the social legislations, proclamations ..."

The respondent, in his ANSWER, acknowledged that, indeed, there was a contract of lease executed between his father and Manotok Services, Inc. He alleged that the contract of lease had expired, and that after the said expiration, he continued occupying the premises.

In his ANSWER TO AMENDED COMPLAINT, he maintained that the demand for payment does not concern the defendant because it is addressed to his deceased father and the same has been unconscionably increased. Also, he stated that “the same rentals or charges are unconscionably high and unilaterally done and without the knowledge and consent and mutual agreement on the proper amount of rentals but plaintiff unilaterally and unconscionably increased said rentals so as to discourage the defendant from further occupying the premises subject of the complaint.[”]

These allegations negate his claim of ownership.

Furthermore, he stated “that the matter of occupancy of the lot of the Manotok Estate is a nagging social problem where about 1,000 bona fide occupants and their families are occupying through a scheme adopted by the National Housing Authority (NHA) and later on, by the City Government of Manila, which, aware of the plight of the bona fide leaseholders or occupants, has adopted City Ordinance or Resolution No. 7814, authorizing the City Mayor, as follows:

ORDINANCE NO. 7814

AN ORDINANCE AUTHORIZING THE CITY MAYOR TO ACQUIRE BY NEGOTIATION OR EXPROPRIATION THE SIX-HECTARE MANOTOK SUBDIVISION IN DULONG GAGALANGIN, TONDO, MANILA ...[”]

Also, “that among the lots covered by the said ordinance is the portion of the property occupied by the defendant Romeo Mendoza, and that being a bona fide tenant-occupant, he is now entitled to the protection of all the social legislations, proclamations ...[”]

The defendant’s Position Paper likewise reiterates the aforementioned allegations of the defendant.

By invoking Ordinance No. 7814, the respondent, in effect, admitted that the subject property is in fact, managed by the Manotok Services and that there is a move to “acquire by negotiation or expropriation” the subject property for the benefit of the “bona fide LEASEHOLDERS or OCCUPANTS”. There was a plan to acquire it, but nevertheless, the said property is still owned by the Manotok Subdivision. In truth and in fact, the occupants therein, including the respondent, are merely leaseholders or tenants, hoping to be benefited by the future acquisition of the property by the City Government of Manila to be distributed and sold to bona fide tenants of the subject premises.

The defendant’s averments are unequivocal. However, instead of bolstering his arguments, they served to negate and to defeat the same.

In his pleadings, he tacitly admitted the existence of the contract of lease as between Manotok Services, Inc. and Benjamin Mendoza, his deceased father. He admits of the expiration of the said contract and his continuous occupation of the subject premises. Moreover, he categorically stated that he is a “bona fide tenant-occupant” of the subject property.

It cannot be controverted that he knew of the lease contract. Thus, he cannot now allege a better right than the petitioner, knowing beforehand of the lessor-lessee relationship between the petitioner and his deceased father insofar as the subject lot is concerned. (citations omitted)[9]

Petitioner cannot now question the validity of the lease contract as it appears from the record that a representative of Benjamin Mendoza had signed the lease contract in his behalf on February 5, 1988, but did not inform respondent corporation that Benjamin Mendoza had already died.[10] Section 2 (a), Rule 131 of the Revised

Rules of Court provides that “(w)henever a party has, by his own declaration, act, or omission, intentionally and deliberately led another to believe a particular thing true, and to act upon such belief, he cannot, in any litigation arising out of such declaration, act or omission, be permitted to falsify it.” Petitioner also admitted in his answer to the complaint that there was indeed a contract of lease between his father and respondent corporation.[11] While he claimed that said contract has been repudiated, the ground for such repudiation was the question on the ownership of the property, but not the capacity of the contracting parties.[12] Apparently, petitioner has been enjoying possession of the property in question by virtue of the lease entered into by his father with respondent corporation. It would run counter to the rules of fair play to now allow petitioner to deny the efficacy of the lease contract.

Finally, we also find no merit in petitioner’s contention that the demand to vacate sent by respondent corporation does not bind him. Records show that the letter was addressed to “Mr. Benjamin Mendoza and all those persons claiming rights under him”.[13] Clearly, petitioner, who derived his right to occupy the premises from the lease entered into by his father, is covered by said notice to vacate.

In view of the foregoing discussion, we find that the Court of Appeals did not err in setting aside the decision of the RTC and reinstating the decision of the MeTC.

IN VIEW WHEREOF, the petition for review is DENIED.

SO ORDERED.

Austria-Martinez, Callejo, Sr., Tinga, and Chico-Nazario, JJ., concur.

[1] CA Rollo, pp. 48-51.

[2] CA Rollo, pp. 62-68.

[3] Rollo, pp. 11-13.

[4] Rollo, pp. 14-17.

[5] Rollo, pp. 30-40.

[6] Petition, pp. 4-5; Rollo, pp. 23-24.

[7] Eastern Shipping Lines, Inc. vs. Court of Appeals, 373 SCRA 513 (2002).

[8] Co vs. Militar, G.R. No. 149912, January 29, 2004.

[9] CA Decision, pp. 4-7; Rollo, pp. 33-36.

[10] See Contract of Lease, p. 4; CA Rollo, p. 41.

[11] See Answer with Affirmative Defenses and Counterclaim, p. 1; CA Rollo, p. 43.

[12] See Defendant’s Position Paper filed before the MeTC, p. 2; CA Rollo, p. 85.

[13] CA Rollo, p. 42.

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