

**SPOUSES BERNARDITO AND ARSENIA GAELA (DECEASED),
SUBSTITUTED BY HER HEIRS NAMELY: BERNARDITO GAELA AND
JOSELINE E. PAGUIRIGAN, PETITIONERS, V. SPOUSES TAN TIAN
HEANG AND SALLY T...**

G.R. No. 185627. March 15, 2017

Ponente: REYES, J.

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REYES, J.:

Assailed in this Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court are the Decision[2] dated April 28, 2008 and Resolution[3] dated September 4, 2008 of the Court of Appeals (CA) in CA-G.R. SP No. 101375, which affirmed the Decision[4] dated October 2, 2007 of the Regional Trial Court (RTC) of Pasig City, Branch 157, in S.C.A. Case No. 3083. The RTC decision reversed and set aside the Decision[5] dated February 12, 2007 of the Metropolitan Trial Court (MeTC) of Pasig City, Branch 68, in Civil Case No. 11369 for Ejectment.

The Facts

This petition stemmed from a complaint for ejectment over two parcels of land both situated in Barrio Rosario, Municipality of Pasig, covered by Transfer Certificates of Title (TCT) Nos. PT-126446[6] and PT-126450[7] filed by Spouses Tan Tian Heang and Sally Tan (respondents) against Spouses Bernardito and Arsenia Gaela (petitioners).[8]

The petitioners claimed that they are the lawful owners of the subject properties. They said that sometime in 2002, their daughter Bernardita Gaela (Bernardita) took the certificates of title registered in their names and forged their signatures in the Real Estate Mortgage[9] that Bernardita executed in favor of Alexander Tam Wong (Wong). Thus, their certificates of title were cancelled and new ones were issued to Wong, who then sold the subject properties to the respondents on December 20, 2004. Afterwards, they sought the annulment of sale of the subject properties and cancellation of TCT Nos. PT-126446 and PT-126450 in the name of the respondents in Civil Case No. 70250 before the RTC of Pasig City, Branch 71. They averred that before the transfer of title from Wong to the respondents, they were able to cause the annotation of a notice of lis pendens on the respondents' titles.[10]

For their part, the respondents countered that they are the lawful and legal owners of the subject properties which they acquired in good faith from its former owner Wong. They narrated that the subject properties were mortgaged by the petitioners to Wong for P2,000,000.00, and said mortgage was annotated at the back of the petitioners' titles. However, the petitioners ceased to pay the real property tax due on the subject properties. Thereafter, new titles were issued in favor of Wong. On December 18, 2004, they bought the subject properties and paid the taxes due thereon as early as January 13, 2005. Nonetheless, while they were waiting for the transfer and release of new titles in their names, the petitioners filed Civil Case No. 70250 against Wong and caused its annotation on the latter's titles. This annotation was then carried over and appeared in their titles. Subsequently, they made demands to the petitioners to vacate the subject properties but the latter refused to do so.[11]

On February 12, 2007, the MeTC rendered its Decision[12] in favor of the petitioners, dismissing the complaint on the ground of lack of cause of action. The MeTC ruled, among others, that:

In the instant case, [the respondents] have indeed made a formal demand upon the [petitioners] to vacate the premises. However, such demand cannot be used as the point to determine the unlawfulness of [the petitioners'] possession for the reason that even before [the respondents] could make a formal demand upon the [petitioners], let alone, have the premises titled in their names, [the petitioners] have already filed an action to assert their ownership over the premises which is even annotated to the title of [Wong] and is likewise annotated on [the respondents'] title. Thus, the Court unreservedly finds it difficult to determine from the evidentiary records the point where [the petitioners'] possession became unlawful as [the respondents] were never in possession of the premises.[13]

Aggrieved, the respondents filed an appeal before the RTC.[14]

In a Decision[15] dated October 2, 2007, the RTC granted the appeal and set aside the MeTC's ruling. The dispositive portion of the decision reads:

WHEREFORE, the instant appeal is hereby GRANTED. The assailed Decision dated February 12, 2007, rendered by the [MeTC] of Pasig City, is set aside and judgment is rendered as follows:

- Declaring [the petitioners'] possession of the subject parcels of land unlawful, and ordering them to vacate the subject parcels of land;
- Ordering [the petitioners] to pay reasonable monthly rentals of P10,000[.00] starting from March 16, 2005, until they fully vacate and turn over to [the respondents] the subject properties; and
- Pay the cost of suit.

SO ORDERED.[16]

In overturning the MeTC's ruling, the RTC held that the respondents have the better right to possess the subject properties since they are the registered owners of the same. The respondents' lack of prior physical possession over the subject properties is of no moment since it is enough that they have a better right of possession over the petitioners. The RTC further said that the case for annulment of title and the annotation of a notice of lis pendens on the respondents' TCTs did not in any way legitimize the petitioners' continued possession of the subject properties.[17]

On appeal,[18] the CA, in its Decision[19] dated April 28, 2008, denied the petition and affirmed the RTC's judgment in toto. The CA held that the allegation in the respondents' complaint make out a case for unlawful detainer and it was filed well within the one-year reglementary period.[20]

Upset by the foregoing disquisition, the petitioners moved for reconsideration[21] but it was denied by the CA in its Resolution[22] dated September 4, 2008. Hence, the present petition for review on certiorari.

The Issue

WHO BETWEEN THE PARTIES HAS A BETTER RIGHT TO POSSESS THE SUBJECT PROPERTIES.

Ruling of the Court

The petition is bereft of merit.

At the outset, the Court noted that the issue of ownership between the parties herein is already the subject of a pending litigation before the RTC of Pasig City, Branch 71. Hence, the only matter to be resolved in this case is the issue of possession over the subject properties.

To begin with, it is perceptible from the arguments of the petitioners that they are calling for the Court to reassess the evidence presented by the parties. The petitioners are, therefore, raising questions of facts beyond the ambit of the Court's review. In a petition for review under Rule 45 of the Rules of Court, the jurisdiction of this Court in cases brought before it from the CA is limited to the review and revision of errors of law allegedly committed by the appellate court.[23] However, the conflicting findings of facts and rulings of the MeTC on one hand, and the RTC and the CA on the other, compel this Court to revisit the records of this case. But even if the Court were to re-evaluate the evidence presented, considering the divergent positions of the courts below, the petition would still fail.

In the instant case, the petitioners mainly dispute the respondents' ownership of the subject properties by contending that they are the true owners of the same. They aver that the allegations of the respondents do not sufficiently show a cause of action for unlawful detainer. They claim that the respondents failed to prove that they had prior physical possession of the subject properties before they were unlawfully deprived of it. The respondents, however, only sought to recover the physical possession of the subject properties. The respondent rebuts the petitioners' claims by contending that they acquired the subject properties in good faith and have registered the same under their names and have been issued certificates of title. The respondents assert their ownership over the subject properties to lay the basis for their right to possess the same that was unlawfully withheld from them by the petitioners.

After reviewing the records of this case, the Court sustains the findings of the RTC and the CA that the nature of action taken by the respondents is one for unlawful detainer.

Unlawful detainer is an action to recover possession of real property from one who unlawfully withholds possession after the expiration or termination of his right to hold possession under any contract, express or implied. The possession of the defendant in an unlawful detainer case is originally legal but becomes illegal due to the expiration or termination of the right to possess. The sole issue for resolution 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.[24]

For the action to come under the exclusive original jurisdiction of the MeTC, the complaint must allege that: (a) the defendant originally had lawful possession of the property, either by virtue of a contract or by tolerance of the plaintiff; (b) the defendant's possession of the property eventually became illegal or unlawful upon notice by the plaintiff to the defendant of the expiration or the termination of the defendant's right of possession; (c) the defendant thereafter remained in possession of the property and thereby deprived the plaintiff the enjoyment thereof; and (d) the plaintiff instituted the action within one year from the unlawful deprivation or withholding of possession.[25]

Guided by the foregoing norms, the allegations of the respondents' complaint made out a case of unlawful detainer, vesting the MeTC with exclusive original jurisdiction over the complaint. The record showed that the respondents' TCTs were issued on February 21, 2005.[26] Thereafter, the demand to vacate was made against the petitioners on March 16, 2005, which is the reckoning point of the petitioners' unlawful possession. Thus, the filing of the ejectment complaint on April 21, 2005 is within the one-year reglementary period.[27]

Indeed, the cause of action of the respondents was to recover possession of the subject properties from the petitioners upon the latter's failure to comply with the former's demand to vacate the subject properties after the latter's right to remain thereon terminated. The respondents initiated the ejectment suit in the MeTC well within the one-year period from the date of the last demand. Thus, the possession of the petitioners, although lawful at its commencement, became unlawful upon its non-compliance with the respondents' demand to vacate.

Also, the petitioners erroneously argued that the respondents' prior physical possession is necessary for an action for unlawful detainer to prosper. Contrary to the petitioners' argument, nowhere does it appear in Section 1[28] of Rule 70 of the Rules of Court that, in an action for unlawful detainer, the plaintiff must be in prior physical possession of the property. The Court has repeatedly ruled that prior physical possession by the plaintiff is not an indispensable requirement in an unlawful detainer case brought by a vendee or other person against whom the possession of any land is unlawfully withheld after the expiration or termination of a right to hold possession.[29]

There is no dispute with the fact that the petitioners were the previous owners of the subject properties. However, the respondents were able to prove by preponderance of evidence that they are now the new owners and the rightful possessors of the subject properties being its registered owners under TCT Nos. PT-126446 and PT-126450. The TCTs of the respondents are, therefore, evidence of indefeasible title over the subject properties and, as its holders, they are entitled to its possession as a matter of right.

Conversely, aside from their bare allegation of bad faith on the part of the respondents, the petitioners presented nothing to support their claim. They failed to submit any piece of evidence showing their right to possess the subject properties. Thus, their unsubstantiated arguments are not, by themselves, enough to offset the respondents' right as the registered owners.

In this case, the evidence showed that as between the parties, it is the respondents who have a Torrens title to the subject properties. The RTC and the CA relied on the Torrens title in the name of the respondents to support their finding that the respondents are the owners of the subject properties.

The Court also noted that in assailing the respondents' right over the subject properties, the petitioners contended that the respondents obtained their certificates of title through forgery. Obviously, this argument is equivalent to a collateral attack against the Torrens title of the respondents - an attack that the Court cannot allow in the instant unlawful detainer case.

Time and again, the Court had emphasized that when the property is registered under the Torrens system, the registered owner's title to the property is presumed legal and cannot be collaterally attacked, especially in a mere action for unlawful detainer, and it does not even matter if the party's title to the property is questionable.[30]

At any rate, it is fundamental that a certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein. The title holder is entitled to all the attributes of ownership of the property, including possession. Thus, the Court must uphold the age-old rule that the person who has a Torrens title over a land is entitled to its possession.[31]

Lastly, it must be underscored that this award of possession de facto over the subject properties in favor of the respondents will not constitute res judicata or will not bar or prejudice the action between the parties involving their claim of ownership over the subject properties which are already the subject of a pending litigation.

In fine, this Court finds no cogent reason to annul the findings and conclusions of the CA. The respondents, as the title holders of the subject properties, are the recognized owners of the same and consequently have the better right to its possession.

WHEREFORE, the appeal is DENIED. The Decision dated April 28, 2008 and Resolution dated September 4, 2008 of the Court of Appeals in CA-G.R. SP No. 101375 are AFFIRMED.

SO ORDERED.

Velasco (Chairperson), Bersamin, Jardeleza, and Tijam, JJ., concur.

NOTICE OF JUDGMENT

Sirs / Mesdames:

Please take notice that on March 15, 2017 a Decision, copy attached hereto, was rendered by the Supreme Court in the above-entitled case, the original of which was received by this Office on April 26, 2017 at 9:50 a.m.

Very truly yours,

WILFREDO V. LAPITAN
Division Clerk of Court

By:

(SGD) MISAEL DOMINGO C. BATTUNG III
Deputy Division Clerk of Court

[1] Rollo, pp. 8-33.

[2] Penned by Associate Justice Jose L. Sabio, Jr., with Associate Justices Jose C. Reyes, Jr., and Ramon M. Bato, Jr. concurring; id. at 36-51.

[3] Id. at 53-54.

[4] Rendered by Judge Esperanza Fabon-Victorino; id. at 55-63.

[5] Rendered by Presiding Judge Divina Gracia Lopez Peliño; id. at 112-114.

[6] Id. at 87.

[7] Id. at 88.

[8] Id. at 55.

[9] Id. at 184-186.

[10] Id. at 56.

[11] Id. at 57-58.

[12] Id. at 112-114.

[13] Id. at 113.

[14] Id. at 115-129.

[15] Id. at 55-63.

[16] Id. at 62-63.

[17] Id. at 60-62.

[18] Id. at 144-167.

[19] Id. at 36-51.

[20] Id. at 47.

[21] Id. at 168-174.

[22] Id. at 53-54.

[23] *Juan v. Yap, Sr.*, 662 Phil. 321, 327 (2011).

[24] *Go v. Looyuko, et al.*, 713 Phil. 125, 131 (2013).

[25] *Penta Pacific Realty Corporation v. Ley Construction and Development Corporation*, G.R. No. 161589, November 24, 2014, 741 SCRA 426, 443.

[26] *Rollo*, p. 14.

[27] Id. at 61.

[28] Section 1. Who may institute proceedings, and when. - Subject to the provisions of the next succeeding section, a person deprived of the possession of any land or building by force, intimidation, threat, strategy, or stealth, or a lessor, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such lessor, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper Municipal Trial Court against the person or persons unlawfully withholding or depriving of possession, or any person or persons claiming under them, for the restitution of such possession, together with damages and costs.

[29] *Go v. Looyuko, et al.*, *supra* note 24, at 133.

[30] *Spouses Dela Cruz v. Spouses Capco*, 729 Phil. 624, 638 (2014).

[31] *Manila Electric Company v. Heirs of Spouses Deloy*, 710 Phil. 427, 443 (2013).

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