

EDNA ROQUE ALEGUELA, FELIPE GONZALES, DOLORES COCHESA, LUISA CAGALINGAN, REYNALDO JUNSAY, BONIFACIA RODRIQUEZ, CONEY CERDENA, AND ALL PERSONS CLAIMING RIGHTS UNDER THEM, PETITIO...*G.R. No. 223852. September 14, 2016*

Ponente: REYES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-223852/>**REYES, J.:**

Before the Court is a petition for review on certiorari[1] filed under Rule 45 of the Rules of Court by Edna Roque Aleguela, Felipe Gonzales, Dolores Cochesa,[2] Luisa Cagalingan, Reynaldo Junsay, Bonifacia Rodriguez, Coney Cerdena (collectively, the petitioners), and all persons claiming rights under them against Eastern Petroleum Corporation (Eastern Petroleum) and J&M Properties and Construction Corporation (J&M Properties) (collectively, the respondents), assailing the Decision[3] dated April 6, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 103391. The assailed CA decision affirmed the Decision[4] dated June 11, 2014 of the Regional Trial Court (RTC) of Pasig City, Branch 166, in Civil Case No. 72273, that ordered the petitioners to vacate the disputed parcels of land registered under the names of the respondents, and to pay reasonable compensation for the lots' use.

The Antecedents

The petitioners are the occupants of the subject properties situated at J. B. Miguel Street, Barangay Bambang, Pasig City, particularly, the parcel of land covered by Title No. PT-130608 under the name of Eastern Petroleum, and the parcels of land covered by PT-140851 and PT-140844 under the name of J&M Properties. Prior to the issuance of the three certificates of title, the properties were covered by one title, TCT No. 314548. The respondents' titles were issued by the Register of Deeds following the presentation of a Deed of Absolute Sale dated January 27, 2006 that named them as the lots' purchasers.[5]

Subsequent to the sale, the respondents sought to take possession of the lots but the petitioners refused to vacate the premises notwithstanding a monetary offer for their relocation by the respondents. This prompted the respondents to institute ejectment suits with the Metropolitan Trial Court (MeTC) of Pasig City, although these were dismissed by the MeTC.[6]

Thereafter, the respondents filed with the RTC of Pasig City an action for recovery of possession with damages against the petitioners, along with their co-defendants Placido "Eddie" Cagalingan (Cagalingan) and Avelino Flores (Flores) who also occupied the subject lots.[7]

In their answer to the complaint, the petitioners contended that they had been occupying the lots for more than 50 years. The properties had been declared part of the Areas for Priority Development under Presidential Decree (P.D.) No. 1517, otherwise known as the Urban Land Reform Act. The issuance of the certificates of title under the respondents' names violated Sections 6 and 7 of P.D. No. 1517 and Section 2 of P.D. No. 2016,[8] which read:

P.D. No. 1517

PROCLAIMING URBAN LAND REFORM IN THE PHILIPPINES AND PROVIDING FOR THE IMPLEMENTING MACHINERY THEREOF

Section 6. Land Tenancy in Urban Land Reform Areas. Within the Urban Zones legitimate tenants who have resided on the land for ten years or more who have built their homes on the land and residents who have legally occupied the lands by contract, continuously for the last ten years shall not be dispossessed of the land and shall be allowed the right of first refusal to purchase the same within a reasonable time and at reasonable prices, under terms and conditions to be determined by the Urban Zone Expropriation and Land Management Committee created by Section 8 of this Decree.

Section 7. Acquisition of Residential Lands for Existing Tenants and Residents. In cases where the tenants and residents, referred to in Section 6 of this Decree, are unable to purchase the said lands, the Government shall acquire the land and/or improvements thereon by expropriation or other land acquisition technique provided for under Section 11 of this Decree.

x x x x

P.D. No. 2016

PROHIBITING THE EVICTION OF OCCUPANT FAMILIES FROM LAND IDENTIFIED AND PROCLAIMED AS AREAS FOR PRIORITY DEVELOPMENT (APD) OR AS URBAN LAND REFORM ZONES AND EXEMPTING SUCH LAND FROM PAYMENT OF REAL PROPERTY TAXES

Section 2. No tenant or occupant family, residing for ten years or more reckoned from the date of issuance of Presidential Decree No. 1517 otherwise known as the Urban Land Reform Law, in land proclaimed as Areas for Priority Development or Urban Land Reform Zones or is a project for development under the ZIP in Metro Manila and the SIR Program in the regional cities shall be evicted from the land or otherwise dispossessed.

The petitioners contended that prior to the sale of the lots to the respondents, they were not afforded the opportunity to exercise their right of first refusal.[9]

The respondents presented their witnesses during trial. When it was the petitioners' turn to present their evidence, their counsel failed to appear and to submit a judicial affidavit, prompting the RTC to issue on November 11, 2013 an Order declaring the petitioners to have waived their right to present evidence. Only Cagalingan and Flores were able to present additional evidence to support their claims as possessors of the lots.[10]

Ruling of the RTC

On June 11, 2014, the RTC rendered its Decision[11] against the defendants. The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, judgment is hereby rendered x x x.

Anent [the defendants], judgment is hereby rendered in favor of the [respondents] and against the [defendants] by ordering them:

- To vacate the premises and surrender peaceful possession to the [respondents] within thirty (30) days from notice; and
- To pay the amount of Php500.00 each defendant per month as reasonable compensation for the use of the property starting November 2009, the date this complaint was filed, until such time that they actually surrender possession of the properties to the [respondents].

No pronouncement as to cost.

SO ORDERED.[12]

The petitioners moved to reconsider, but their motion was denied by the RTC, in its Order[13] dated August 27, 2014. Dissatisfied, the petitioners appealed to the CA.

Ruling of the CA

The CA, in its Decision[14] dated April 6, 2016, denied the appeal and affirmed the decision of the RTC.

The CA explained that while the petitioners were the occupants of the properties within an urban land reform zone, they failed to establish that they were legitimate tenants thereof. Section 3(f) of P.D. No. 1517 defines a tenant as the rightful occupant of land and its structures, but does not include those whose presence on the land is merely tolerated and without the benefit of contract, those who enter the land by force or deceit, or those whose possession is under litigation.[15]

The mere fact that the petitioners had been the occupants of the disputed lots for more than 50 years failed to suffice. They had to provide evidence that could establish a valid contract of lease with the lots' former owners, with proof of payment of rentals as tenants. Otherwise, it could be inferred that the petitioners' possession was by mere tolerance.[16]

Hence, this petition for review on certiorari.

Present Petition

The petitioners insist that their possession of the disputed lots is by virtue of a contract of lease with the person under whose name the disputed properties were formerly registered, specifically Carlos L. Asuncion, his heirs and successors-in-interest. Their possession under such nature has spanned more than 50 years already.[17] Pursuant to pertinent statutes, the lots should have been first offered for sale to them and in case a sale was not concluded, the government was to expropriate the properties.

Ruling of the Court

The petition is denied.

Considering the arguments presented by the petitioners to support their petition, it is evident that they call upon the Court to make a review of the factual dispositions made by both the RTC and the CA. Both courts, in particular, have ruled negatively on the petitioners' ability to prove that they are tenants, as contemplated in P.D. No. 1517 and P.D. No. 2016, who are entitled to the benefits provided by law.

The settled rule is that only questions of law may be raised in a petition for review under Rule 45 of the Rules of Court. It is not the Court's function to analyze or weigh all over again evidence already presented in the proceedings below, since the Court's jurisdiction is limited to reviewing errors of law that may have been committed by the lower court. The resolution of factual issues is the function of the lower courts, whose findings on these matters are received with respect.[18]

In any case, the Court finds no compelling reason to deviate from the factual findings of the RTC, as affirmed by the CA. The law that applies to the issue on the petitioners' entitlement to a right of first refusal over the disputed properties is P.D. No. 1517, which grants legitimate tenants in urban land reform areas certain benefits affecting land acquisition and ownership. In *Estreller, et al. v. Ysmael, et al.*, [19] the Court reiterated the rationale and the parameters that render P.D. No. 1517, along with P.D. No. 2016, applicable, to wit:

Section 6 of P.D. No. 1517 grants preferential rights to landless tenants/occupants to acquire land within urban land reform areas, while Section 2 of P.D. No. 2016 prohibits the eviction of qualified tenants/occupants.

In *Dimaculangan v. Casalla*, the Court was emphatic in ruling that the protective mantle of P.D. No. 1517 and P.D. No. 2016 extends only to landless urban families who meet these qualifications: a) they are tenants as defined under Section 3(f) of P.D. No. 1517; b) they built a home on the land they are leasing or occupying; c) the land they are leasing or occupying is within an Area for Priority Development and Urban Land Reform Zone; and d) they have resided on the land continuously for the last 10 years or more.[20] (Citation omitted)

Section 3 of P.D. No. 1517 referred to in the foregoing qualifications limits the cover of "tenants" whom the law seeks to protect, particularly:

Sec. 3. Definitions. x x x

x x x x

(f) Tenant refers to the rightful occupant of land and its structures, but does not include those whose presence on the land is merely tolerated and without the benefit of contract, those who enter the land by force or deceit, or those whose possession is under litigation.

x x x x

There is no dispute that the subject properties fall within the scope of P.D. No. 1517, after the petitioners and their co-defendants, Cagalingan and Flores, supplied sufficient proof on the lots' nature. Maps and certifications issued by the Housing and Land Use Regulatory Board were presented before the RTC. However, unlike Cagalingan and Flores who were able to submit proofs of their respective tenancy arrangements with the lots' previous owners, the petitioners opted not to present their own contracts with the owners. Such failure was critical to their defense because proof of tenancy is a vital condition that could render P.D. No. 1517 applicable to a case.

The basic rule is that he who alleges a fact has the burden of proving it.[21] Based on the records, the petitioners were only able to prove that they were the lots' possessors. Their possession, however, could be based on the other modes specifically excluded by P.D. No. 1517 from its cover, namely, tolerance, force or deceit. In *Medina v. Mayor Asistio, Jr.*, [22] the Court emphasized that "only legitimate tenants may be extended the protective mantle of the decree cited to the exclusion of others." [23] Where no contracts are presented to qualify persons as legitimate tenants, the protection afforded therein cannot be rightfully invoked. [24]

The petitioners could not have simply relied on the testimonial and documentary evidence presented by Cagalingan and Flores to prove their tenancy. The nature of their possession was independent of the other defendants' own agreement or lease with the previous landowners.

Given the foregoing, the CA was correct in ruling in favor of the respondents. Their rights to possess, use and occupy the subject parcels of land, being the present registered owners thereof, have been sufficiently established. Not even the petitioners' reference to the prior dismissal by the MeTC of the ejectment suits first filed against them by the respondents supports their assertion. [25] The principle of *res judicata* does not apply because the ejectment suits and the present complaint covered different causes of action. Moreover, the ejectment suits were not decided on the merits. These were dismissed mainly on the ground that the ownership issue was raised by the respondents, a matter that was beyond the scope of the MeTC's jurisdiction. [26] The issue on the petitioners' tenancy was not resolved in the said cases.

WHEREFORE, the petition is DENIED. The Decision dated April 6, 2016 of the Court of Appeals in CA-G.R. CV No. 103391 is AFFIRMED.

SO ORDERED.

Velasco, Jr., (Chairperson), Peralta, Perez, and Jardeleza, JJ., concur.

November 9, 2016

NOTICE OF JUDGMENT

Sirs / Mesdames:

Please take notice that on September 14, 2016 a Resolution, copy attached hereto, was rendered by the Supreme Court in the above-entitled case, the original of which was received by this Office on November 9, 2016 at 11:15 a.m.

Very truly yours,

(SGD)

WILFREDO V. LAPITAN

Division Clerk of Court

[1] Rollo, pp. 12-32.

[2] Also referred to as Dolores Cocheza in the records.

[3] Penned by Associate Justice Romeo F. Barza, with Associate Justices Amy C. Lazaro-Javier and Agnes Reyes-Carpio concurring; rollo, pp. 62-75.

[4] Rendered by Presiding Judge Rowena De Juan-Quinagoran; id. at 49-57.

[5] Id. at 15, 63.

[6] Id. at 63-64.

[7] Id. at 16, 64.

[8] Id.

[9] Id. at 64-65.

[10] Id. at 56, 65.

[11] Id. at 49-57.

[12] Id. at 56-57.

[13] Id. at 58-60.

[14] Id. at 62-75.

[15] Id. at 71-72.

[16] Id.

[17] Id. at 19.

[18] Heirs of Pacencia Racaza v. Spouses Abay-Abay, 687 Phil. 584, 590-591 (2012).

[19] 600 Phil. 292 (2009).

[20] Id. at 301.

[21] MZR Industries, et al. v. Colambot, 716 Phil. 617, 626 (2013), citing Machica v. Roosevelt Services Center, Inc. and/or Dizon, 523 Phil. 199, 209 (2006).

[22] 269 Phil. 225 (1990).

[23] Id. at 234.

[24] Id.

[25] Rollo, pp. 22-24.

[26] Id. at 22-23.

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