

TAN TOK LEE AND NENA LEE, PETITIONERS, VS. COURT OF FIRST INSTANCE OF KALOOKAN CITY, BRANCH XXXIII, PRESIDED BY HON. MARCELINO N. SAYO AND CRESENCIA M. DULAY, RESPONDENTS.

G.R. No. 50154. April 20, 1983

Ponente: DE CASTRO, J.

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DE CASTRO, J.:

Petition for review on certiorari of the decision of the Court of First Instance of Kalookan City, Branch XXXIII.

On September 2, 1977, respondent Cresencia M. Dulay filed with the City Court of Kalookan, a complaint seeking to eject petitioner spouses from her premises, and alleged among other things:

....

"2. That the plaintiff is the owner in fee simple of that certain parcel of land and the residential house at 79 7th Avenue, Grace Park, Caloocan City, her ownership of said properties is evidence by TCT No. C-7421 and Tax Declaration No. 60522 of the Registry of Deeds for Caloocan City and the Office of the City Assessor, Caloocan City respectively;

"3. That the defendants were lessees of the former owners of the property Mr. Paulino Espiritu and when the plaintiff bought this parcel of land from the spouses Paulino Espiritu and Lucena F. Espiritu, the spouses told the defendants that their contract is over and that the new owner is the herein plaintiff and that the defendants must talk with the new owner and contract with her, if they so desire;

"4. That the defendants have not paid the stipulated rentals to the old owner for the months of March, April and May, 1977 and this was made clear to the defendants when the old owners transfer ownership to the land and the improvements therein found;

"5. That the defendants continued to live in the house of the plaintiff without plaintiff's consent and the defendants had been staying in the premises for three months without saying any word to the plaintiff since your plaintiff became the owner of the said properties;

"6. That the plaintiff bought this property for own residence and that she will not use the same for any commercial purposes but merely for the residence of her family and no more, the truth being that to prepare for such a transfer of residence the plaintiff had already secured Repair Permit same is hereto attached as Annex "A";

"7. That no contract of lease exists between the parties herein since the plaintiff did not include the same in the sale of these properties;

"8. That on the very date of the sale of the premises, plaintiff informed defendants that she needs the premises badly and the help of the vendor told the spouses Tan Tok and Nena Lee that plaintiff shall transfer her residence to the newly purchased property and many times thereafter the same information was told to defendants but in spite of all these informations defendants failed and refused and continue to fail and to refuse

to vacate the premises to the great prejudice of the plaintiff;

"9. That written demands for the occupation of the questioned premises were made upon the defendants and on these was made on June 7, 1977, requiring the defendants to vacate the premises in question but the defendants instead of vacating said premises stood pat on their rights to remain in the position saying that the law protects them, so they failed and refused and continue to fail and refuse to give up the possession to the present, said letter of demands is hereto attached and made an integral part of this complaint as Annex "B";

"10. That likewise the son of the former owners of these properties demanded the immediate return of the possession of the premises to the new owner for the new owner shall make the such needed reforms and repairs of the building and the entire premises and this is contained in a letter handed to the plaintiff by the son, Col. Lee Espiritu (Ret) and attached to this complaint as Annex 'C'."

... ..

In their answer to the complaint, petitioners countered that for some unknown reasons, the former owner of the premises refused to accept the payment of rentals for the months of March, April and May, 1977, which prompted petitioner Nena Lee to file a petition for consignment before the City Court, Branch III of Kalookan City; that they received a letter from Atty. Artemio B. Mallare informing them that the present owner of the premises is Mrs. Cresencia Dulay and thereafter, they tendered payment of rentals to her who refused to accept the same; that because of such refusal, petitioner Nena Lee amended her petition for consignment by including Mrs. Dulay as one of the party respondents; and that after respondent repeatedly refused to accept the rental payments, petitioners consigned and deposited the rentals as per order of the court.

After hearing, the City Court rendered judgment on March 31, 1978 ordering petitioners to vacate the premises and surrender possession thereof to respondent, to pay the latter the sum of P150.00 a month as reasonable rentals for the use or occupancy of the place, plus attorney's fees and the costs of the suit.

Petitioners appealed to the Court of First Instance and invoked the provisions of PD No. 20 as implemented by Memorandum Circular No. 970. In its decision of September 26, 1978[1] the Court of First Instance affirmed the City Court's decision and held that petitioners are not tenants of respondent since the verbal lease contract on a month-to-month basis was with the former owners thereof not with respondent. Petitioners are therefore not covered by the protective mantle of PD No. 20. The Court of First Instance further ruled that respondent has the right to terminate the month-to-month lease under the provision of Article 1676 of the Civil Code of the Philippines reading inter alia as follows:

"The purchaser of a piece of land which is under a lease that is not recorded in the Registry of Property may terminate the lease, save when there is a stipulation to the contrary in the contract of sale, or when the purchaser knows of the existence of the lease." ...

The motion for reconsideration having been denied, petitioners now come before Us by way of this petition for review.

Petitioners present two issues for this Court's resolution:

1. Whether or not under PD No. 20 and other existing laws, the private respondent can eject petitioners from the premises in question on the ground that she is the new owner of the leased premises, with no lease contract with petitioners.
2. Whether or not this case is covered by PD No. 20.

Petitioners relied heavily on the provisions of PD No. 20 and its implementing orders, memoranda and letters of

instructions, suspending the provisions of Art. 1673 (1) of the Civil Code for judicial ejectment of lessees.

PD No. 20 was promulgated precisely for the purpose of alleviating the living conditions of the poor people who have no homes of their own but "it was not so designed to be so stringent and inflexible as to totally deprive an owner of his right to take possession and dispose of his property in case of extreme necessity." [2]

The new owner, respondent Dulay has established her right to possess the property during the hearing in the court below. She bought the premises in question for her and her family's own use since they were also being ejected from the house they are presently occupying.

Witnesses also testified that petitioners promised to look for another place and to vacate the premises, which testimony remains undisputed. With the refusal of petitioners to move out of the premises, respondent is greatly prejudiced for she has no other place to live in, for at any time now she and her family could also be evicted.

Petitioners' reliance on the provisions of PD No. 20 is not well-taken. It could not have been the intention of said decree to deprive the owner of the rightful use of her home, more so, when petitioners reneged on their promise to look for another house in the mistaken belief that PD No. 20 gave her a preferred right over that of the owner. To deny the owner of the use and possession of her property would be tantamount to depriving her of her constitutional right to abode.

Moreover, the rigid suspension of the Civil Code on judicial ejectment has been relaxed with the enactment of Batas Pambansa Blg. 25 which allows as one of the grounds for judicial ejectment the need of the owner/lessor to repossess his property for his own use or for the use of immediate members of his family as a residential unit.

Thus, Batas Pambansa Blg. 25 upholds the right of respondent to recover possession and use of her property which was unjustifiably occupied by petitioners.

ACCORDINGLY, the petition for review is hereby dismissed. This decision is immediately executory.

No pronouncement as to costs.

SO ORDERED.

Makasiar (Chairman), Concepcion Jr., Guerrero and Escolin, JJ., concur.

Abad Santos, J., my vote is to dismiss the petition of minute resolution for lack of merit.

Aquino, J., is on leave.

[1] Decision, pp. 22-26 (Annex "A" to the petition).

[2] Betts vs. Matias, 97 SCRA 443, citing Onchengco vs. City Court of Zamboanga, 95 SCRA 313.

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