

ELIZABETH SINCLAIR, PETITIONER, VS. COURT OF APPEALS, TANDIKO T. CENTI AND JOSEPHINE CENTI, RESPONDENTS.

G.R. No. 52435. July 20, 1982

Ponente: DE CASTRO, J.

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DE CASTRO, J.:

Appeal by certiorari of the decision of the Court of Appeals, reversing the decision of the Court of First Instance of Rizal, in favor of the petitioner.

On July 9, 1974 an action for unlawful detainer was filed in the Municipal Court of Mandaluyong by respondent spouses-lessors against petitioner-lessee for the latter to vacate and surrender possession of the former's residential house located at Lopez Rizal St., Mandaluyong, Rizal.

Respondent-lessors allege that the premises in question was leased to petitioner sometime in 1966 on a month-to-month basis at P280.00 per month, with the understanding that the lease will be terminated anytime respondents need the house for their and their children's own house; that on Feb. 23, 1974, notice was given to the petitioner terminating the lease on April 30, 1974 as respondents children would reside therein to continue their college education in Manila; that petitioner has not paid the rentals for 2 months and that despite repeated demands, petitioner refused to surrender possession of the premises.

In her answer, petitioner denies that the agreement was that the lease would be terminated at any time the lessors notify her to vacate, the truth being that the lease is without any definite term, and because of the improvements she introduced in the house, both parties agreed that once one party notifies the other, both would naturally agree and fix the term of the years but in no case would the lease be terminated within two ears thereafter; that she did not fail to pay the rentals since she paid the same by depositing them with the Philippine National Bank; and that the lessors objective is to increase the rent in violation of PD 20; and, as counterclaim, petitioner asks for moral damages, for the Court to fix the term of the lease; that the amount tendered as rentals be accepted in Court by way of consignment, and for award of Attorney's fees.

The following facts as found by the trial court appear undisputed:

x x x

"The parties entered into an agreement to lease for a definite term of one (1) year commencing on the 15th day of August, 1967 (Exh. "1" or up to August 15, 1968. However, after its expiration, the same was not renewed but defendant was allowed to continue occupying the same on a month-to-month lease (Art. 1670, New Civil Code). They verbally agreed that the monthly rentals would be maintained at P280.00, as in the written lease contract, but that this lease may be terminated once the plaintiffs need the house for their use and occupancy. Several demands were made upon defendant to vacate the house and on April 5, 1974, the defendant replied by letter that she had not yet been able to look for another house to transfer to although she readily looked for one upon receipt of plaintiffs' letter dated March 21, 1974, despite the help of friends for this purpose. She further

stated that - - -

'Please believe me that my inability to find another home grieves me so much for I do not want to cause any frustrations to your children for I have my own children too.' (Exh. "D")

"Thereafter, plaintiffs sent another telegram dated June 10, 1974 (Exh. "E") reiterating their demand for defendant to vacate the leased premises. It was by letter dated June 19, 1974 that defendant made a sudden turn-about when she requested plaintiffs to reconsider their position since their (Plaintiffs) "real desire is not for me to vacate, but for me to pay a higher rental" in violation of the presidential decree prohibiting the increase of rents of houses whose rentals are P300.00 and below (Exh. "F"). She also mentioned that she sent the rental for April by telegraphic transfer thru the PNB but that plaintiffs refused to receive the same, thereby giving the impression that plaintiffs would also refuse to receive rentals for May and June. She then informed plaintiffs that she would consignate the rentals to the Court for her protection."

X X X

The Municipal Court of Mandaluyong stated in its decision that the relationship between the parties are governed by their verbal agreement after the expiration of the lease contract; and petitioners refusal to vacate the premises is a futile attempt on her part to back out from their verbal agreement that the lease contract would be terminated in the event the respondents' children and their family would need it for their own use. Accordingly, petitioner was ordered by said court to vacate the premises and to pay the rentals in arrears with legal interest.

Petitioner appealed to the Court of First Instance of Rizal which reversed the lower court's decision and dismissed the complaint for unlawful detainer on August 21, 1975. In reversing the lower court's decision, the Court stated that Art. 1687[1] of the New Civil Code, in relation to Par. 1 of Art. 1673,[2] wherein a lessor may judicially eject the lessee when the period agreed upon or that which is fixed for the duration of the lease under Arts. 1682[3] & 1687 has expired, can no longer be considered in the light of Presidential Decree No. 20 and the suspension of this provision of law deprives the Courts to fix the term of the lease and therefore, the complaint is within the prohibitive sanction of PD No. 20.

Respondents appealed to the Court of Appeals which reversed the decision of the Court of First Instance, the appellate court ruling:[4]

"The appealed decision did not make any conclusion or finding that the rental was proposed for increase or was actually increased from P280.00 nor did the CFI decision refute the municipal court's finding that invoking PD 20 was a mere "sudden turn-about, 'a device to justify the unlawful detention of the property. On the contrary, this "sudden turnabout" was admitted."

X X X

"We cannot subscribe to the indiscriminate application of PD No. 20 by the lower court to the detriment of the owner and the deprivation of his property rights guaranteed by the Constitution. The lower court was not called upon to fix the term of the lease or the amount of the rental, not in issue. The issue is whether or not the lessee should abide by the agreement to leave when demanded."

X X X

"The instant case does not involve the "freezing" of rentals inasmuch as there was no attempt to increase the rental, as found by both lower courts."

"To attain this objective PD No. 20 prohibits the increase of the monthly rental if the rental does not exceed P300.00 a month; prohibits the demanding of more than two (2) months rental in advance; and suspended Par. 1 of Art. 1673 "when the period agreed upon or that which is fixed for the duration of lease, under Art. 1682

and 1687 has expired."

"Outside of these three specific effects of PD 20, the other provisions of the Civil Code and Rules of Court on lease contract have not been abrogated. Still paramount is the provision of Art. 1306 of the Civil Code which provides that the "parties may establish such stipulation, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, moral good customs, public order and public policy." Under Art. 1673 of the Civil Code the lessor may eject the lessee "for violation of any of the conditions agreed upon in the contract."

"It is the enforcement of this stipulation that appellant seeks along with the legitimate exercise of his right as owner. We do not see any justification on how the enforcement of this agreement can be violative of PD No. 20, especially under the facts and circumstances admitted to have been established both by the Municipal Court and the CFI decisions."

x x x

"To allow parties to invoke PD No. 20 as a last-minute excuse contrived by the lessee to defeat the lawful exercise by the lessor of the latter's rights as an owner is not within the purpose and intents of PD 20. The evidence does not show any threatened, real or actual attempt to increase the rental. The evidence on the contrary shows that the lessor was availing of his rights as owner, in accordance with the agreement reached between the parties to have his family occupy the leased house, long ago anticipated and agreed between them. The occasion arose, when the children of the Centis came from Zamboanga and Jolo and had no other place to stay."

x x x

"That lessor has no other dwelling unit available for his own use and for the immediate members of his family is abundantly shown by the undisputed testimony during the trial:

"Q. Now, aside from that residence of yours located at 157 Lopez-Rizal Street, Mandaluyong, Rizal, do you own any other house and lot in Mandaluyong or in any other place in the Greater Manila area?

A. I have none, sir." (p. 35, TSN., August 28, 1974) (Emphasis Ours)

"With this evidence not refuted, the case of the appellant becomes even stronger, in the face of the express agreement between him as the owner-lessor and the lessee for the surrender of the property for the use of lessor's family. The lease has expired and notice was given. The lessor, who is from Mindanao, needs his only house in Metro Manila for his personal use, and as per the agreement he should have been allowed to reoccupy his own house 4 years ago."

x x x

The Court of Appeals ordered petitioner-lessee and all persons or agents claiming rights under her, to vacate the premises and to surrender complete possession thereof to respondent-lessors; to pay the monthly rentals from May 1974 at P280.00 a month, if the same have not yet been paid or withdrawn by petitioner in case of deposit, in both instances with legal interest from filing of the complaint plus attorneys fees and costs.

Having failed to secure reconsideration of the decision of the Court of Appeals the petitioner filed the instant petition with the following Assignment of errors:

"I. The lower court erred in not concluding that the lease is on a month to month basis between plaintiff-appellant and the defendant-appellee has no definite period.

"II. The lower court erred in not concluding that the resolutive condition or period that this lease may be terminated once the plaintiffs need the residential house for their own use and occupancy does not constitute a

definite period.

"III. The lower court erred in (not) concluding that the defendant-appellee was in arrears in the payment of rentals for May and June 1974.

"IV. The lower court erred in not concluding that the instant case is within the prohibitive sanction of PD. No. 20."

The facts of the case as found by the trial court were bodily lifted by the Court of First Instance in its decision and therefore remain undisputed. It is on the legal question of whether PD No. 20 applies to the case at bar where divergence occurred between the opinions of the two courts, the Court of First Instance holding the affirmative view. The respondent Court of Appeals and the trial court took the opposite view in which We agree.

The provisions of PD 20 govern apartment-dwellers who are paying rentals not exceeding P300.00 a month. The decree mandates "the freezing of rentals for the lower income group at their present levels" in order that the rentals for the houses be stabilized. It is true that said decree was issued to alleviate the living conditions of those in need, owing to prevailing hard economic conditions. It should, however, not be applied indiscriminately even to the extent of depriving the owner of his property rights protected by the Constitution.

It is evident, the Court of First Instance applied the provisions of PD 20 in favor of petitioner mindless of the inequity produced thereby against the property owner whose right as such remains entitled to the guarantee or protection of the Constitution over which PD 20 cannot prevail.

In reversing the decision of the Court of First Instance, the Court of Appeals correctly defined the real issue in the case as going into the question of whether the petitioner violated the agreement between her and private respondents, as to when the lease would be terminated and the cause thereof, not whether the rentals are being increased in violation of the decree. Much less does the issue involve the fixing of the duration of the lease.

It is not disputed that petitioner agreed to leave once the respondents need the place for their own use. Neither is it disputed that respondents have no other house and lot in Greater Manila. Petitioner's own letter of April 5, 1974 indicates her conformity with the agreement when she stated therein that she could not immediately vacate the place because of her "inability to find another home." Respondents were just considerate to give her a month's extension before sending her another telegram demanding that she vacate the premises. Petitioner acted in bad faith in making a "sudden turn-about" as already intimated, quoting from the decision of the trial court, the Municipal Court of Mandaluyong, when petitioner after impliedly admitting the agreement that she would vacate the lease premises upon demand by the lessors because of their need thereof for their own personal use, she invoked PD 20 on the ground that lessors are actually trying to raise the rental in violation of the aforesaid Decree.

Respondent Tandiko Centi, a retired Muslim Commander of the Philippine Navy, is now in his 70's and in the twilight years of his life, it is his utmost desire to be with his children who should stand by him now that he is old, sickly and jobless. The only wish of private respondents is to provide their children with their own dwelling, untainted by any mercenary motive as alleged by petitioner. A strict and rigid compliance with PD 20 is therefore not in order, for an exemption from its provisions is warranted for humanitarian reasons as has been explicitly announced by this Court in the case of *Onchengco vs. City Court of Zamboanga*,^[5] speaking through Justice Teehankee who said that extreme necessity for personal use of the property entitles the owner to exemption from the operation of PD 20 which suspends the provision of Art. 1673 of the Civil Code on judicial ejectment.

It should also be stressed that PD 20 respects obligations of contract in obedience to the constitutional mandate that no law shall be enacted which would impair such obligations. It therefore, places no legal obstacle to the

enforcement of an existing agreement validly entered into by the parties herein as the decision appealed from seeks to do, which in no way runs counter to the socialistic intent and humanitarian spirit of the decree.

Finally, the Court of Appeals has thoroughly discussed the other factual issues raised and We are convinced that its findings and conclusions thereon should not be disturbed but sustained.

ACCORDINGLY, the petition is hereby dismissed without pronouncement as to costs. This decision is immediately executory upon promulgation.

SO ORDERED.

Barredo, (Chairman), Concepcion, Jr., Guerrero, and Escolin, JJ., concur. Aquino, J., in the result. Abad Santos, J., see separate concurrence.

[1] Art. 1687: If the period for the lease has not been fixed, it is understood to be from year to year, if the rent agreed upon is annual; from month to month, if it is monthly; from week to week, if the rent is weekly; and from day to day, if the rent is to be paid daily. However, even though a monthly rent is paid, and no period for the lease has been set, the courts may fix a longer term for the lease after the lessee has occupied the premises for over one year. If the rent is weekly, the courts may likewise determine a longer period after the lessee has been in possession for over six months. In case of daily rent, the courts may also fix a longer period after the lessee has stayed in the place for over one month. (1581a)

[2] Art. 1673: The lessor may judicially eject the lessee for any of the following causes:

- (1) When the period agreed upon, or that which is fixed for the duration of leases under articles 1682 and 1687, has expired;
- (2) Lack of payment of the price stipulated;
- (3) Violation of any of the conditions agreed upon in the contract;
- (4) When the lessee devotes the thing leased to any use or service not stipulated which causes the deterioration thereof; or if he does not observe the requirement in No. 2 of article 1657, as regards the use thereof.

The ejectment of tenants of agricultural lands is governed by special laws. (1569a)

[3] Art. 1682: The lease of a piece of rural land, when its duration has not been fixed, is understood to have been made for all the time necessary for the gathering of the fruits which the whole estate leased may yield once, although two or more years may have to elapse for the purpose. (1577a)

[4] CA decision, pp. 19-28, Rollo.

[5] 95 SCRA 313.

CONCURRING OPINION

ABAD SANTOS, J.:

I concur but I wish to add these comments. Appeal from a decision of the Court of Appeals to this Court is by certiorari. This means that appeal is not a matter of right; it is discretionary and in fact this Court may *motu proprio* dismiss the appeal on the ground that it "is without merit, or is prosecuted manifestly for delay, or that the

questions raised therein are too unsubstantial to require consideration." (Rule 45, Sec. 3, Rules of Court.) It seems to me that where a decision of the Court of Appeals, as in this case, is to be sustained and does not have to be reversed or modified, the more expeditious procedure for everyone is simply to dismiss the appeal for lack of merit. In such a case the decision of the Court of Appeals provides the rationale for the dismissal. Personally, I will write a decision involving an appeal from the Court of Appeals only in the following cases: (1) to reverse or modify the appealed decision; and (2) to affirm the appealed decision but on the basis of different important legal principles. I make these comments so that people in general and legal practitioners in particular may know the attitude of this member of the Court who is concerned with the speedy adjudication of cases.

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