

**SPOUSES TEOFILO ERCILLO AND TERESITA ERCILLO, PETITIONERS,
VS. COURT OF APPEALS AND SPOUSES LUTGARDA CIFRA AND
BENJAMIN CIFRA, SR., REPRESENTED BY THEIR SON AND
ATTORNEY-IN-FACT...**

G.R. No. 55361. December 10, 1990

Ponente: MEDIALDEA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-55361/>

MEDIALDEA, J.:

This is a petition for review of the decision of the Court of Appeals in CA-G.R. No. SP-10524 which affirmed the decision of the then Court of First Instance of Rizal, Quezon City, Branch IX, affirming the judgment of the City Court of Quezon City.

The facts of the case are as follows:

Private respondents spouses Benjamin Cifra and Lutgarda Cifra leased an apartment building located at 11-C Purdue Street, Cubao, Quezon City, to herein petitioners spouses Teofilo Ercillo and Teresita Ercillo at a monthly rental of P140.00 payable within the first five (5) days of the month at the residence of private respondents.

On November 23, 1976, private respondents filed an action for unlawful detainer with the City Court of Quezon City. It was alleged in the complaint that the petitioners failed to pay the rentals for the month of August, 1976 up to the filing of the complaint; that private respondents demanded from petitioners payment of the accrued rentals and the surrender of the possession of the leased premises to them before the complaint was filed and that the petitioners neither paid the accrued rentals nor surrendered the possession of the leased premises.

Petitioners, on the other hand, alleged that they never defaulted in the payment of their rentals; that private respondents refused to accept their payments; that they deposited the payments with the Family Savings Bank, Account No. 419022473, in the name of Mrs. Teresita Ercillo or Mrs. Lutgarda Cifra and that the petitioners were advised by the former of the said deposit.

Sometime also in November, 1976, the private respondents filed a complaint against the petitioners with the Office of the Civil Relations (OCR), Philippine Constabulary at Camp Crame, Quezon City. The petitioners then withdrew the rentals deposited with the Family Savings Bank and deposited the money and the accruing rentals with the OCR. When the action for ejectment was pending with the City Court, the petitioners deposited the rentals with the said court.

After trial, the City Court rendered a decision in favor of private respondents, the dispositive portion of the decision provides:

"WHEREFORE, x x x this Court finds the material allegations in the complaint filed in this case to be duly proved with convincing and satisfactory evidence and rendered judgment in favor of plaintiffs and against defendants spouses TEOFILO ERCILLO and TERESITA ERCILLO, as follows:

"1. Ordering defendants and all persons claiming rights under them to vacate the premises located at 11-C Purdue Street, Cubao, Quezon City and restore the peaceful possession thereof to plaintiffs;

"2. Ordering defendants, jointly and severally, to pay plaintiffs the sum of P1,680.00 representing accrued monthly rentals for the period August, 1976 to July 1977 at P144.00 a month;

"3. Ordering defendants, jointly and severally, to pay plaintiffs the further sum of P144.00 a month commencing on August 1, 1977 and every month thereafter until they and all persons claiming rights under them finally vacate the premises and restore the peaceful possession thereof to plaintiffs;

"4. Ordering defendants jointly and severally, to pay the sum of P1,500.00, as and for attorney's fees; and

"5. Ordering defendants, jointly and severally, to pay the costs of the suit.

"The counter-claim interposed by the defendants is hereby dismissed for lack of merit.

"SO ORDERED." (pp. 14-15, Rollo)

On appeal to the then Court of First Instance of Rizal, Seventh Judicial District, Quezon City, the decision of the City Court was affirmed in toto.

The petitioners filed a petition for review with respondent Court of Appeals which dismissed the petition for lack of merit in a decision promulgated on September 16, 1980 (pp. 14-18, Rollo). The decision of the Court of Appeals stated:

"Since the consignment of the accrued rentals with the Court was made only during the pendency of the ejectment case, although they (petitioners) had effected deposits with the Office of the Civil Relations, which office as opined by the trial court, "is not a judicial authority," such act could not have and did not have the effect of discharging petitioners' obligation in the payment of rentals.

"Thus, no judicial consignment having been made in accordance with Art. 1256, 1257 and 1258 of the New Civil Code;

"WHEREFORE, for lack of merit the instant petition for review is hereby DISMISSED.

"SO ORDERED." (p. 18, Rollo)

On December 1, 1980, petitioners filed the instant petition with this Court.

The petitioners contend that respondent Court of Appeals committed a legal error when it ruled that the deposit of the rentals with the bank did not release the petitioners from their obligation to pay the rentals and that LOI 768 which took effect only on November 16, 1978 cannot apply to this case which was filed on November 23, 1976.

The petition is devoid of merit.

The issue to be resolved in this case is whether or not the private respondents had a valid ground for ejecting petitioners.

The ground raised by private respondents in ejecting petitioners from the leased premises is the latter's failure to pay rents due. There is no question that this is one of the grounds by which a lessor may judicially eject the lessee under Article 1673 of the New Civil Code. Further, Section 2, Rule 70 of the Rules of Court requires that a lessor or his legal representative shall bring an action against a lessee for failure to pay rent due only after the lessee shall have failed to pay such rent for a period of fifteen days after a written demand therefor had been made. Private respondents assert that there was no payment of the rent due within the fifteen (15) day period prescribed by the rules nor even after the lapse of the fifteen (15) day period after a written demand to pay and to vacate was

made on petitioners.

The petitioners, for their part, assert that their obligation to pay rent had been extinguished in view of their consignation of the rent due with the bank after the private respondents refused to accept them.

The law on tender of payment and consignation as a mode of extinguishing an obligations is covered by Article 1256, Article 1257 and Article 1258 of the New Civil Code.

"Art. 1256. If the creditor to whom tender of payment has been made refuses without just cause to accept it, the debtor shall be released from responsibility by the consignation of the thing or sum due.

"x x x.

"Art. 1257. In order that the consignation of the thing due may release the obligor, it must first be announced to the persons interested in the fulfillment of the obligation.

"The consignation shall be ineffectual if it is not made strictly in consonance with the provisions which regulate payment.

"Art. 1258. Consignation shall be made by depositing the things due at the disposal of judicial authority before whom the tender of payment shall be proved, in a proper case, and the announcement of the consignation in other cases.

"The consignation having been made, the interested parties shall also be notified thereof."

It is the requirement under Article 1258 which had not been strictly complied with by petitioners. What the law requires is the deposit of the thing due at the disposal of judicial authority before whom the tender of payment shall be proved, in a proper case. The deposit of the rentals with the bank is not the consignation contemplated by law. Depositing the rentals in the bank does not place such rental at the disposal of the judicial authority.

Petitioners argue further that since the case is still pending, the full legal effect of P.D. 20 together with its implementing Instructions, LOI 768, should be made to apply in this case.

P.D. 20, issued on October 12, 1972, amended Republic Act No. 6359 regulating rentals for dwelling units. It was not until November 16, 1978 when Letter of Instruction No. 768 was issued implementing P.D. 20. It provided, among others:

"3. The following shall not constitute grounds for judicial ejectment of lessees:

"a) That the lessee has failed to pay any increased rental not mutually agreed upon; provided, that in case of refusal of the lessor to accept payment of the rent previously agreed upon, the lessee shall either consignate the amount in court or deposit the said amount in a bank for the account of the lessor.

Petitioners seek shelter under this provision. However, it should be noted that LOI 768 which allows the deposit of accrued rentals in a bank as an alternative to consignation in court of rental payments which the lessor refuses to accept, was issued only on November 16, 1978. The action for ejectment, on the other hand was filed on November 23, 1976 or some two (2) years before the issuance of LOI 768 when the law in effect then was Article 1257 of the New Civil Code. Clearly, the private respondents had, at the time of the institution of the complaint, a valid ground for ejecting petitioners.

ACCORDINGLY, the petition is DENIED for lack of merit.

SO ORDERED.

Narvasa, (Chairman), Cruz, Gancayco, and Grino-Aquino, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.