

RITA CALEON, PETITIONER, VS. AGUS DEVELOPMENT CORPORATION AND COURT OF APPEALS, RESPONDENTS.

G.R. No. 77365. April 07, 1992

Ponente: BIDIN, J.

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BIDIN, J.:

This is a petition for review on certiorari seeking the reversal of the January 28, 1987 decision of the Court of Appeals in CA-G.R. SP No. 10990 entitled "Rita Caleon v. Hon. Samilo Barlongay, et al." dismissing the petition for review of the decision of the Regional Trial Court of Manila, Branch 34, which affirmed the decision of the Metropolitan Trial Court of Manila, Branch XII, ejecting the petitioner.

The undisputed facts of the case are as follows:

Private respondent Agus Development Corporation is the owner of a parcel of land denominated as Lot 39, Block 28, situated at 1611-1619 Lealtad, Sampaloc, Manila, which it leased to petitioner Rita Caleon for a monthly rental of P180.00. Petitioner constructed on the lot leased a 4-door apartment building.

Without the consent of the private respondent, the petitioner sub-leased two of the four doors of the apartment to Rolando Guevarra and Felicisima Estrada for a monthly rental of P350.00 each. Upon learning of the sub-lease, private respondent through counsel demanded in writing that the petitioner vacate the leased premises (Rollo, Annex "A", p. 20).

For failure of petitioner to comply with the demand, private respondent filed a complaint for ejectment (Civil Case No. 048908) with the Metropolitan Trial Court of Manila, Branch XII against the petitioner citing as ground therefor the provisions of Batas Pambansa Blg. 25, Section 5, which is the unauthorized sub-leasing of part of the leased premises to third persons without securing the consent of the lessor within the required sixty (60)-day period from the promulgation of the new law (B. P. 25). (Rollo, Petition, p. 8).

After trial, the court a quo rendered its decision ordering petitioner and all persons claiming possession under her (a) to vacate the premises alluded to in the complaint; (b) to remove whatever improvement she introduced on the property; (c) to pay private respondent the amount of P2,000.00 as attorney's fees; and (d) to pay the costs (Rollo, Annex "A", p. 19).

Petitioner appealed the decision to the Regional Trial Court and on November 24, 1980, presiding judge of the RTC, the Hon. Samilo Barlongay, affirmed in toto the decision of the Metropolitan Trial Court (Rollo, Annex "A", p. 19).

The decision of the Regional Trial Court was appealed to the Court of Appeals for review. The respondent Court of Appeals rendered its decision dated January 28, 1987, the dispositive portion of which reads as follows:

"PREMISES CONSIDERED, the petition not being prima facie meritorious, the same is outright dismissed."

"SO ORDERED." (Rollo, Annex "A", p. 21).

Hence, the petition for review on certiorari.

The principal issue in this case is whether or not the lease of an apartment includes a sublease of the lot on which it is constructed, as would constitute a ground for ejectment under Batas Pambansa Blg. 25.

Petitioner is of the view that Batas Pambansa Blg. 25 is not applicable because what she leased was her own apartment house which does not include a sublease of the lot she leased from private respondent on which the apartment is constructed.

Petitioner's contention is untenable.

This issue has already been laid to rest in the case of *Duellome v. Gotico* (7 SCRA 841 [1963]) where this Court ruled that the lease of a building naturally includes the lease of the lot, and the rentals of the building includes those of the lot. Thus:

"x x x the lease of a building would naturally in-clude the lease of the lot and that the rentals of the building include the rentals of the lot.

x x x x x x x x

"Furthermore, under our Civil Code, the occupancy of a building or house not only suggests but implies the tenancy or possession in fact of the land on which they are constructed. This is not a new pronouncement. An extensive elaboration of this rule was discussed by this Court in the case of *Baquiran, et al. v. Baquiran et al.*, 53 O.G. p. 1130.

'x x x the Court of Appeals should have found the herein appellees lessees of the house, and for all legal purposes, of the lot on which it was built as well'."

But petitioner insists that the ruling in the aforecited case is not applicable to the case at bar because the former is a damage suit while the latter is an ejectment case.

Be that as it may, this Court has categorically answered in the affirmative, the principal question, common to both cases and on which rests the resolution of the issues involved therein. Under the above ruling it is beyond dispute that petitioner in leasing her apartment has also subleased the lot on which it is constructed which lot belongs to private respondent. Consequently, she has violated the provisions of Section 5, Batas Pam-bansa Blg. 25 which is a ground for ejectment.

Section 5 of Batas Pambansa Blg. 25 enumerates the grounds for judicial ejectment, among which is the subleasing of residen-tial units without the written consent of the owner/lessor, to wit:

"SEC. 5. Grounds for judicial ejectment. Eject-ment shall be allowed on the following grounds:

"a) Subleasing or assignment of lease of residen-tial units in whole or in part, without the written consent of the owner/lessor: Provided that in the case of subleases or assignments executed prior to the approval of this Act, the sublessor/assignor shall have sixty days from the effectivity of this Act within which to obtain the written approval of the owner/lessor or terminate the sublease or assignment."

Section 2(b) of Batas Pambansa Blg. 25 defines the term residential unit as follows:

"SEC. 2. Definition of Terms - Unless otherwise indicated wherever in this Act, the following shall have the following meaning:

x x x x x x x x

"b. A residential unit - refers to an apartment, house and/or land on which another's dwelling is located used for

residential purposes and shall include not only buildings, parts or units thereof used solely as dwelling places, except motels, motel rooms, hotels, hotel rooms, boarding houses, dormitories, rooms and bedspaces for rent, but also those used for home industries, retail stores, or other business purposes if the owner thereof and his family actually live therein and use it principally for dwelling purposes: x x x."

Petitioner argued further that Batas Pambansa Blg. 25 cannot be applied in this case because there is a perfected contract of lease without any express prohibition on subleasing which had been in effect between petitioner and private respondent long before the enactment of Batas Pambansa Blg. 25. Therefore, the application of said law to the case at bar is unconstitutional as an impairment of the obligation of contracts.

It is well settled that all presumptions are indulged in favor of constitutionality; one who attacks a statute, alleging unconstitutionality must prove its invalidity beyond a reasonable doubt (*Victoriano v. Elizaide Rope Workers' Union*, 59 SCRA 54 [1974]). In fact, this Court does not decide questions of a constitutional nature unless that question is properly raised and presented in appropriate cases and is necessary to a determination of the case, i.e., the issue of constitutionality must be the very *lis mota* presented (*Tropical Homes, Inc. v. National Housing Authority*, 152 SCRA 540 [1987]).

In any event, it is now beyond question that the constitutional guaranty of non-impairment of obligations of contract is limited by and subject to the exercise of police power of the State in the interest of public health, safety, morals and general welfare (*Kabiling, et al. v. National Housing Authority*, 156 SCRA 623 [1987]). In spite of the constitutional prohibition, the State continues to possess authority to safeguard the vital interests of its people. Legislation appropriate to safeguarding said interest may modify or abrogate contracts already in effect (*Victoriano v. Elizaide Rope Workers' Union, et al., supra*). In fact, every contract affecting public interest suffers a congenital infirmity in that it contains an implied reservation of the police power as a postulate of the existing legal order. This power can be activated at anytime to change the provisions of the contract, or even abrogate it entirely, for the promotion or protection of the general welfare. Such an act will not militate against the impairment clause, which is subject to and limited by the paramount police power (*Villanueva v. Castaneda*, 154 SCRA 142 [1987]).

Batas Pambansa Blg. 25, "An Act Regulating Rentals of Dwelling Units or of Land On Which Another's Dwelling is Located and For Other Purposes" shows that the subject matter of the law is the regulation of rentals and is intended only for dwelling units with specified monthly rentals constructed before the law became effective (*Baens v. Court of Appeals*, 125 SCRA 634 [1983]).

Batas Pambansa Blg. 25 is derived from P.D. No. 20 which has been declared by this Court as a police power legislation, applicable to leases entered into prior to July 14, 1971 (effectivity date of RA 6539), so that the applicability thereof to existing contracts cannot be denied (*Gutierrez v. Cantada*, 90 SCRA 1 [1979]).

Finally, petitioner invokes, among others, the promotion of social justice policy of the New Constitution. Like P.D. No. 20, the objective of Batas Pambansa Blg. 25 is to remedy the plight of lessees, but such objective is not subject to exploitation by the lessees for whose benefit the law was enacted. Thus, the prohibition provided for in the law against the sublease of the premises without the consent of the owner. As enunciated by this Court, it must be remembered that social justice cannot be invoked to trample on the rights of property owners, who under our Constitution and laws are also entitled to protection. The social justice consecrated in our Constitution was not intended to take away rights from a person and give them to another who is not entitled thereto (*Salonga v. Farrales*, 105 SCRA 360 [1981]).

WHEREFORE, the Petition is Denied for lack of merit and the assailed decision of the Court of Appeals is Affirmed.

SO ORDERED.

Gutierrez Jr., (Chairman), Davide, Jr., and Romero, JJ., concur.

Feliciano, J., on leave.

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