



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

SPOUSES ERWIN C.  
SANTIAGO and MARINELA A.  
SANTIAGO; SPOUSES  
GAUDENCIO A. MANIMTIM,  
JR. and EDITHA P.  
MANIMTIM; SPOUSES  
RAMIRO C. ALBARAN and  
ELVA C. ALBARAN; and  
CESAR F. ODAN,

Petitioners,

G.R. No. 217296

Present:

CARPIO, J., Chairperson,  
PERALTA,  
PERLAS-BERNABE,  
CAGUIOA, and  
REYES, JR., JJ.

Promulgated:

- versus -

NORTHBAY KNITTING, INC.,  
Respondent.

11 OCT 2017

*Handwritten signature: HAN Cabalag*

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DECISION

PERALTA, J.:

Before the Court is a Petition for Review seeking to annul and set aside the Decision<sup>1</sup> of the Court of Appeals (CA), dated September 26, 2014, as well as its Resolution<sup>2</sup> dated February 25, 2015 in CA-G.R. SP No. 132962, reversing the Decision<sup>3</sup> of the Malabon Regional Trial Court (RTC) dated May 29, 2013 in Civil Case No. ACV 12-008-MN.

The procedural and factual antecedents of the case are as follows:

<sup>1</sup> Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Ramon R. Garcia and Danton Q. Bueser; concurring; *rollo*, pp. 33-48.

<sup>2</sup> *Id.* at 49-52.

<sup>3</sup> Penned by Judge Zaldy B. Docena; *rollo*, pp. 85-91.

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Respondent Northbay Knitting, Inc. (*NKI*) filed a Complaint for Ejectment before the Metropolitan Trial Court (*MeTC*) of Navotas City against petitioners spouses Ramiro and Elva Albaran (*the Spouses Albaran*) who were doing business under the name REA General Marine Services (*REA*), spouses Gaudencio and Editha Manimtim (*the Spouses Manimtim*) who were doing business under the name Junedith Brokerage Corporation (*JBC*), spouses Erwin and Marinela Santiago (*the Spouses Santiago*) who were doing business under the name Quick Care Cargo Handler (*QCCH*), and Cesar Odan who was doing business under the name Transment Freight Forwarder (*TFF*).

*NKI* alleged that it owns the subject property, a parcel of land in Phase I, North Side of the Dagat-Dagatan Project in Navotas covered by Transfer Certificate of Title (*TCT*) No. M-38092. All petitioners were simply allowed to occupy said property by *NKI* and they were not paying any rent. On March 5, 2009, *NKI* sent demand letters to petitioners asking them to vacate the property within five (5) days from receipt and to pay rent in the event that they refuse to vacate within the grace period given. However, despite receipt of said letters, petitioners refused to vacate or pay the necessary rent. Thus, on April 14, 2009, *NKI* filed an ejectment complaint against petitioners.

For their part, petitioners averred that *NKI* merely exists on paper as its certificate of registration had already been revoked by the Securities and Exchange Commission (*SEC*) for failure to operate. *NKI* only became the registered owner of the subject property on June 16, 2008, while petitioners came into possession of said property through their predecessor-in-interest, Hermeginildo Odan, and have been continuously in possession since 1970. Odan had leased the property from the family of the late Francisco Felipe Gonzales. Later, he subleased the property to petitioners. The government likewise expropriated the subject property and declared it as an Area for Priority Development or Urban Land Reform Zone under Proclamation No. 3384 dated April 13, 1983. Being tenants and actual occupants of the place, petitioners could not be evicted. Then a Conditional Contract to Sell was entered into between *NKI* and National Housing Authority (*NHA*). *NKI* violated the terms of said contract, causing the automatic cancellation of the same. Sometime in 2008, the *NHA* sold the property to *NKI* without giving petitioners, as the actual occupants, the right of first refusal granted under the law. Thus, petitioners filed a case questioning said sale which was docketed as Civil Case No. 06-11-MN. Petitioners contended that this case on the issue of their right of first refusal is a prejudicial question that must be resolved first before the *MeTC* can take cognizance of the ejectment case.

On June 11, 2012, the Navotas *MeTC* rendered a Decision in favor of *NKI*, thus:



**WHEREFORE**, premises considered, judgment is hereby rendered in favor of the plaintiff Northbay Knitting, Inc. and against defendants as follows:

1. **ORDERING** defendants-spouses Ramiro Albaran & Elva Albaran, spouses Gaudencio Manimtim & Edith Manimtim, Junedith Brokerage Corporation, spouses Erwin Santiago & Marinela Santiago, and Cesar Odan, and all persons claiming rights under them to remove the improvements they introduced on the property located in Phase 1, North Side of the Dagat-Dagatan Project in Navotas, Metro Manila covered by Transfer Certificate of Title (TCT) No. M-38092 issued by the Registry of Deeds of Malabon City in the name of the plaintiff Northbay Knitting, Inc.;

2. **ORDERING** defendants-spouses Ramiro Albaran & Elva Albaran, spouses Gaudencio Manimtim & Edith Manimtim, Junedith Brokerage Corporation, spouses Erwin Santiago & Marinela Santiago, and Cesar Odan, and all persons claiming rights under them to **PEACEFULLY VACATE AND VOLUNTARILY SURRENDER** to plaintiff Northbay Knitting, Inc. the possession of the said lot situated in Phase 1, North Side of the Dagat-Dagatan Project in Navotas, Metro Manila covered by Transfer Certificate of Title (TCT) No. M-38092 issued by the Registry of Deeds of Malabon City in the name of the plaintiff Northbay Knitting, Inc.;

3. **ORDERING** each defendant named-above to each pay plaintiff the amount of TWO THOUSAND PESOS (Php2,000.00) per month for the use and occupation of the above-described property computed from May 4, 2009 until possession of said property is surrendered and turned-over to plaintiff; and

4. **ORDERING** defendants jointly and severally to pay plaintiff the amount of Php20,000.00, as and by way of attorney's fees.

The Counterclaim of defendants-spouses Albaran, Santiago, and Odan is hereby **DISMISSED** for lack of merit.

**SO ORDERED.**<sup>4</sup>

On May 29, 2013, however, the Malabon RTC set aside the MeTC Decision for lack of jurisdiction, since NKI failed to show a case of Unlawful Detainer, to wit:

**WHEREFORE**, pursuant to Sec. 8 par. 2, Rule 40 of the Rules of Court, this Court hereby assumes jurisdiction over this case.

In the meantime, let this case be set for preliminary conference on **July 24, 2013 at 8:30 o'clock in the morning.**

<sup>4</sup> Penned by Judge Job M. Mangente; *rollo*, pp. 83-84.



SO ORDERED.<sup>5</sup>

Upon appeal, the CA ruled:

**WHEREFORE**, premises considered, the instant Petition for Review is hereby **GRANTED**. The assailed Decision dated May 29, 2013 and Order dated October 29, 2013 of the Regional Trial Court (RTC), Branch 170, Malabon City in Civil Case No. ACV 12-008-MN are hereby **REVERSED and SET ASIDE**. The Decision dated June 11, 2012 of the Metropolitan Trial Court, Branch 54, Navotas City is hereby **AFFIRMED and REINSTATED**.

SO ORDERED.<sup>6</sup>

Hence, this petition.

### *The Court's Ruling*

The petition is devoid of merit.

Settled is the rule that jurisdiction over the subject matter is conferred by law and is determined by the material allegations of the complaint. It cannot be acquired through, or waived by, any act or omission of the parties, neither can it be cured by their silence, acquiescence, or even express consent.<sup>7</sup> In ejectment cases, the complaint should embody such statement of facts as to bring the party clearly within the class of cases for which the statutes provide a remedy, as these proceedings are summary in nature. The complaint must show enough on its face to give the court jurisdiction without resort to parol evidence.<sup>8</sup>

A complaint sufficiently alleges a cause of action for unlawful detainer if it states the following:

- 1) possession of property by the defendant was initially by contract with or by tolerance of the plaintiff;
- 2) eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession;
- 3) thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment of the same; and

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<sup>5</sup> Rollo, p. 91.

<sup>6</sup> *Id.* at 47.

<sup>7</sup> *Heirs of Julao v. Spouses De Jesus*, 744 Phil. 287, 289 (2014).

<sup>8</sup> *Canlas v. Tubil*, 616 Phil. 915, 924 (2009).

- 4) within one (1) year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.<sup>9</sup>

Here, as the CA aptly found, NKI's complaint sufficiently shows all the allegations required to support a case for unlawful detainer, thereby vesting jurisdiction in the MeTC over the case. NKI stated that it is the absolute owner of the subject property, as evidenced by TCT No. M-38092, and supported by Tax Declaration No. C-002-08822-C and real property tax receipt for the tax due in 2008. Petitioners, who are the actual occupants of said property, never paid rent but continued to possess the property upon NKI's mere tolerance. Despite receipt of NKI's demand letters to vacate, petitioners refused and continued to occupy the property.

The statements in the complaint that petitioners' possession of the property in question was by mere tolerance of NKI clearly make out a case for unlawful detainer. Unlawful detainer involves the person's withholding from another of the possession of the real property to which the latter is entitled, after the expiration or termination of the former's right to hold possession under the contract, either expressed or implied. A requisite for a valid cause of action in an unlawful detainer case is that possession must be originally lawful, and such possession must have turned unlawful only upon the expiration of the right to possess. It must be shown that the possession was initially lawful; hence, the basis of such lawful possession must be established. If, as in the instant case, the claim is that such possession is by mere tolerance of the plaintiff, the acts of tolerance must be proved.<sup>10</sup>

Here, petitioners claim that NKI only became the registered owner of the subject property on June 16, 2008. However, from that time when the title to the disputed property was registered in NKI's name on June 16, 2008 until the time when it sent the demand letters to vacate on March 5, 2009, petitioners' possession had certainly been one upon mere tolerance of the owner. NKI's right to possess the property had then become absolute and undeniable. And when NKI demanded that they leave the premises and petitioners refused to do so, their possession had already become unlawful. As the registered owner, NKI had a right to the possession of the property, which is one of the attributes of its ownership.<sup>11</sup>

Further, petitioners argue that there is a pending action questioning the validity of the sale of the disputed property to NKI, consequently affecting the validity of its title to said property. Such argument is clearly a collateral attack on NKI's title, which is not allowed in an unlawful detainer

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<sup>9</sup> *Cabrera v. Getaruela*, 604 Phil. 59, 66 (2009).

<sup>10</sup> *Corpuz v. Spouses Agustin*, 679 Phil. 353, 364 (2012).

<sup>11</sup> *Id.*

case. A certificate of title cannot be subject to a collateral attack and can be altered, modified, or cancelled only in a direct proceeding in accordance with law.<sup>12</sup> A Torrens Certificate of Title cannot be the subject of collateral attack. Such attack must be direct and not by a collateral proceeding. Considering that this is an unlawful detainer case wherein the sole issue to be decided is possession *de facto* rather than possession *de jure*, a collateral attack by petitioners on NKI's title is proscribed. The present case only covers the issue of who has the better right of possession in relation to the issue of disputed ownership of the subject properties. Questions as to the validity of NKI's title can be ventilated in a proper suit instituted separately to directly attack its validity, an issue that cannot be definitively resolved in the extant unlawful detainer case.<sup>13</sup>

It has been held time and again that the only issue for resolution in an unlawful detainer case is physical or material possession of the premises, independent of any claim of ownership by any of the party litigants. Possession refers to possession *de facto*, and not possession *de jure*. It does not even matter if a party's title to the property is questionable. Where the parties to an ejectment case raise the issue of ownership, the courts may pass upon that issue to determine who between the parties has the better right to possess the property. However, where the issue of ownership is inseparably linked to that of possession, as in this case, adjudication of the ownership issue is not final and binding, but merely for the purpose of resolving the issue of possession. The adjudication of the issue of ownership is only provisional, and not a bar to an action between the same parties involving title to the property.<sup>14</sup>

An ejectment suit is likewise summary in nature and is not susceptible to circumvention by the simple expedient of asserting ownership over the property. In forcible entry and unlawful detainer cases, even if the defendant raises the question of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the lower courts and the CA, nonetheless, have the undoubted competence to provisionally resolve the issue of ownership for the sole purpose of determining the issue of possession. Such decision, however, does not bind the title or affect the ownership of the land nor is conclusive of the facts found in said case between the same parties but upon a separate cause of action involving possession.<sup>15</sup>

Therefore, the Court finds no cogent reason to depart from the assailed rulings of the CA.

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<sup>12</sup> *Id.* at 363.

<sup>13</sup> *Id.* at 368.

<sup>14</sup> *Id.* at 360-361

<sup>15</sup> *Id.* at 362.

**WHEREFORE, PREMISES CONSIDERED**, the Court **DENIES** the petition and **AFFIRMS** the Decision of the Court of Appeals dated September 26, 2014 as well as its Resolution dated February 25, 2015 in CA-G.R. SP No. 132962.

**SO ORDERED.**

  
**DIOSDADO M. PERALTA**  
Associate Justice

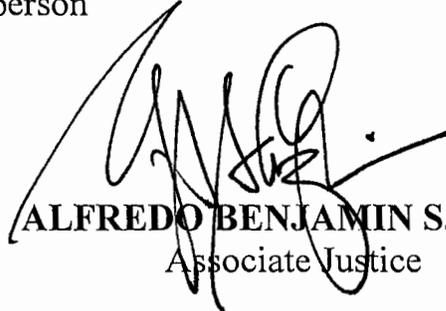
**WE CONCUR:**



**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson



**ESTELA M. PERLAS-BERNABE**  
Associate Justice



**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice



**ANDRES B. REYES JR.**  
Associate Justice

**ATTESTATION**

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson, Second Division

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARIA LOURDES P. A. SERENO**  
Chief Justice