



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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THIRD DIVISION

SPOUSES BELINDA LIU and
HSI PIN LIU,
Petitioners,

G.R. No. 238513

Petitioners,

Present:

- versus -

PERALTA, J.,
Chairperson,
LEONEN,
REYES, A. JR.,
HERNANDO, and
INTING, JJ.

MARCELINA ESPINOSA,
MARY ANN M. ESTRADA,
ARCHIE ASUMBRADO,
INESITA ASUMBRADO,
LORETO TUTOR, ELIAS
PENAS, BENITA ABANTAO,
BASILIZA MARTIZANO,
ARMAN PARAS, MIGUELITO
M. ANTEGA, JOVENTINO
CAHULOGAN, and TITO
TUBAC,

Promulgated:

Respondents.

July 31, 2019

Mis. DC Det

X-----X

DECISION

HERNANDO, J.:

This petition for review on *certiorari* under Rule 45 of the Rules of Court assails the October 23, 2017 Decision¹ of the Court of Appeals in CA-G.R. SP No. 07149-MIN, which reversed the Regional Trial Court (RTC), Branch 17, Davao City's October 26, 2015 Decision,² as well as the Court of Appeals' Resolution³ dated February 28, 2018, denying the motion for reconsideration thereon.

¹ *Rollo*, pp. 174-181; penned by Associate Justice Oscar V. Badelles with Associate Justices Romulo V. Borja and Ruben Reynaldo G. Roxas concurring.

² *Id.* at 146-156; penned by Presiding Judge Evalyn M. Arellano-Morales.

³ *Id.* at 194-195.

Petitioner Belinda Y. Liu owns a parcel of land covered by Transfer Certificate of Title (TCT) No. 146-2010008891⁴ in Barangay Centro, Agdao, Davao City. Petitioner Hsi Pin Liu is her husband. They acquired said land from their predecessor-in-interest who, in turn, merely tolerated the occupation of the property by respondents Marcelina Espinosa, Mary Ann M. Estrada, Archie Asumbrado, Inesita Asumbrado, Loreta Tutor, Elias Penas, Benita Abantao, Basiliza Martizano, Arman Paras, Miguelito M. Antega, Joventino Cahulogan, and Tito Tubac. The latter are the present occupants of the land.

After title was transferred to the petitioners, they likewise tolerated the presence of the respondents upon the understanding that they will peacefully vacate the land once the petitioners' need to use the same arises. When petitioners' demands⁵ to vacate the property were made, however, the latest of which was on February 12, 2013, the respondents refused to comply.

Thus, petitioners filed a complaint⁶ for Unlawful Detainer against them in the Municipal Trial Court in Cities (MTCC), Branch 6 of Davao City. The case was initially set for Preliminary Conference, but the parties failed to arrive at a compromise. Subsequently, it was set for Judicial Dispute Resolution, which likewise failed. The respondents then filed an Omnibus Motion to Amend Answer before the MTCC, where they alleged that:

1. Plaintiffs have no cause of action against answering defendants for defendants' occupation is not by tolerance of the plaintiffs but they entered in good faith believing that the land in question is part of public land, which later on they discovered was already titled and the title was issued before the land was declared disposable and alienable;
2. That the plaintiffs have no right whatsoever to demand upon defendants to vacate the premises not only because they have no right but the title to the property of the plaintiff's title was declared null and void in the decision of the Honorable Court re case no. CA-G.R. CV No. 01640-MIN. x x x.⁷

On November 11, 2014,⁸ the MTCC rendered judgment in favor of petitioners. It declared them as the rightful possessors of the property and directed the respondents to vacate the subject land and to turn the same over to the petitioners. Further, respondents were ordered to pay the petitioners PhP 20,000.00 as attorney's fees, as well as reasonable rental fee for the use of the subject property in the amount of PhP 5,000.00 per month with 6% interest *per annum*, computed from August 6, 2013, the date the ejectment suit was filed, until the respondents vacate the property.

⁴ *Id.* at 54-55.

⁵ *Id.* at 73-134.

⁶ *Id.* at 59-67.

⁷ *Id.* at 26-27.

⁸ *Id.* at 135-145; penned by Presiding Judge Nanette G. Lemana.

Respondents thus filed an Appeal with the RTC, Branch 17, Davao City, from the MTCC Decision, where they asserted that: (1) the MTCC had no jurisdiction to entertain the action because it failed to take into consideration that the defendants were in possession of the land in the concept of an owner, and not by tolerance of the plaintiffs nor of their predecessors-in-interest; (2) they were entitled to the possession and occupation of the land because they had been in possession of the same in the concept of an owner for more than twenty years and they introduced valuable improvements therein; (3) they have priority in rights to apply for title of their respective lots because Original Certificate of Title No. 38 and its derivative titles were declared null and void by the Court of Appeals; and (4) they were harassed and were thus entitled to the damages and reliefs that they prayed for in their counter-claim.

Moreover, respondent Joveniano Gorduiz, Sr. asserted that the MTCC committed a gross and blatant error when it declared the petitioners as the rightful possessors of the property and that the defendants' possession and/or occupation was one of unlawful detainer.

On October 26, 2015, the RTC affirmed in all respects the MTCC's Decision, thusly:

WHEREFORE, finding the Decision of the Municipal Trial Court in Cities (MTCC), Branch 6, Davao City, dated November 11, 2014, in accord with law and jurisprudence, the same is hereby AFFIRMED in all respects.⁹

In denying the defendants' appeal, the lower court found that their occupation of the subject property was indeed merely tolerated by the petitioners and their predecessor-in-interest, and that all of the elements of unlawful detainer were present in the case. The lower court also decided that petitioners are entitled to the sum justly due as arrears of rent or as reasonable compensation for the use and occupation of the premises, attorney's fees, and costs.

Hence, respondents filed a Petition for Review under Rule 42 of the Rules of Court before the Court of Appeals. Respondents raised the same grounds that they invoked in their RTC appeal from the MTCC Decision. They raised the following errors:

I. The Honorable Court seriously erred in not taking into consideration that petitioners were in possession of their respective houses and lot though in the concept of an owner, not by tolerance of respondents nor by respondents' predecessors-in-interest and so the Honorable Court has no jurisdiction to entertain this action;

⁹ *Id.* at 155-156.

II. The Honorable Court seriously erred when it failed to consider that Petitioners who were in possession of their house and lot in the concept of an owner for more than 20 years and introduced valuable improvements therein are by virtue of prescription, entitled possession and occupation and has priority right to apply for title of their respective lots after OCT No. 38 and its derivative titles were declared null and void by the Court of Appeals;

III. That the Honorable Court failed to consider that Petitioners are being harassed and so they are entitled to damages the reliefs as prayed for in their counter-claim.¹⁰

The Court of Appeals granted the respondents' petition in its October 23, 2017 Decision and reversed the findings of the RTC. It held that petitioners were unable to sufficiently prove the presence of tolerance of respondents' occupation from the start of their possession of the subject property. Also, plaintiffs failed to adduce evidence that would have shown when the respondents entered the property or who gave them the permission to do the same. Thus, the Court of Appeals found that the petitioners' bare claim of tolerance could not sustain their action for unlawful detainer.

Petitioners filed a motion for reconsideration, which the Court of Appeals denied in a Resolution dated February 28, 2018.

Hence, this petition for review on *certiorari*.

Petitioners were required by this Court to file a reply to the respondents' comment on the petition for review on *certiorari* through a Resolution dated December 10, 2018. In their reply dated March 13, 2019, petitioners asserted that: (1) respondents' offer to purchase the property from them was a tacit recognition that the petitioners owned the property; (2) their Torrens certificate of title proved their ownership of the land; and (3) there is clearly a case for unlawful detainer for they merely tolerated the possession of the property by respondents.

It must first be stated that the Supreme Court is not a trier of facts. The case at bar, however, calls for a re-examination of facts for the findings of the MTCC and the RTC are in conflict with that of the Court of Appeals.¹¹ In *Pascual v. Burgos*,¹² it was held that while the factual findings of the Court of Appeals are contrary to those of the trial court, this alone does not automatically warrant a review of factual findings by this court.

Pascual further held that:

[W]hile a conflict in their findings may *prima facie* provide basis for a recourse to this Court, only a showing, on the face of the record, of gross or extraordinary misperception or manifest bias in the Appellate Court's

¹⁰ *Id.* at 29.

¹¹ *Continental Cement Corporation v. Filipinas (PREFAB) Systems, Inc.*, 612 Phil. 524, 535 (2009).

¹² 776 Phil. 167, 188 (2016).

reading of the evidence will justify this Court's intervention by way of assuming a function usually within the former's exclusive province.¹³

Such is the case here.

Contrary to the Court of Appeals' findings, this Court finds that the petitioners' action for unlawful detainer must be sustained.

In *Estate of Soledad Manantan v. Somera*,¹⁴ this Court elucidated on unlawful detainer in the following manner:

Unlawful detainer is a summary action for the recovery of possession of real property. This action may be filed by a lessor, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession by virtue of any contract, express or implied.

In unlawful detainer cases, the possession of the defendant was originally legal, as his possession was permitted by the plaintiff on account of an express or implied contract between them. However, defendant's possession became illegal when the plaintiff demanded that defendant vacate the subject property due to the expiration or termination of the right to possess under their contract, and defendant refused to heed such demand.

Thus, an action for unlawful detainer will stand if the following requisites are present:

- a. Initially, possession of property by the defendant was by contract with or by tolerance of the plaintiff;
- b. Eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession;
- c. Thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment thereof; and
- d. Within one year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.¹⁵

The Court fully sustains both the MTCC and the RTC findings that the foregoing requisites have been sufficiently established in the case at bar.

It is clear upon perusal of the records that petitioners are the registered owners of the subject property, as evidenced by TCT No. 146-2010008891, and that the respondents' occupation of the subject property was merely tolerated by the petitioners' predecessor-in-interest and the petitioners

¹³ *Id.*

¹⁴ 602 Phil. 495, 503 (2009).

¹⁵ *Suarez v. Emboy*, 729 Phil. 315, 330 (2014).

themselves based on the understanding that the said respondents will peacefully vacate the same once the need to use the land by the petitioners arises.

Subsequently, this occupation became illegal when respondents refused to heed petitioners' express and clear demands to vacate the subject property, the last of which was dated February 12, 2013. It is evidently clear that the complaint for unlawful detainer, filed on August 6, 2013, was made within one year from the time the last formal demand to vacate was made.

Further, it should be pointed out that respondents would not have made an offer to purchase the subject land from petitioners had they been truly in possession of the property in the concept of an owner. Their claim is thus negated by the fact that the subject land is registered in the name of the petitioners. It is settled that a Torrens title is evidence of an indefeasible title to property in favor of the person in whose name the title appears. It is conclusive evidence with respect to the ownership of the land described therein. Hence, petitioners as the titleholders are entitled to all the attributes of ownership of the property including possession.¹⁶

Even then, the respondents' claim of possession of the property in the concept of an owner is a collateral issue that may not be decided upon in a case for unlawful detainer. To stress, the only issue to be resolved in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties involved.¹⁷

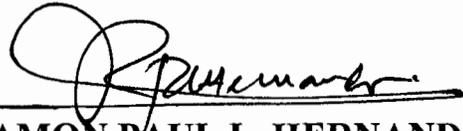
Thus, the Court finds that the appellate court gravely erred when it reversed the findings of the RTC. Petitioners clearly possess superior rights over the possession of the property as the registered owners thereof, and all the elements of unlawful detainer were sufficiently proven in the case at bar.

WHEREFORE, the petition is **GRANTED**. The Decision of the Court of Appeals dated October 23, 2017 and its Resolution dated February 28, 2018 are **REVERSED** and **SET ASIDE**. The Decision of the Regional Trial Court of Davao City, Branch 17, in Civil Case No. 36,029-14, is **REINSTATED**. No costs.

¹⁶ *Urieta Vda. de Aguilar v. Alfaro*, 637 Phil. 131, 142 (2010).

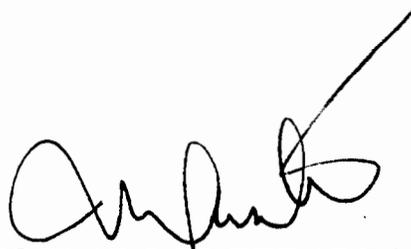
¹⁷ *Manila Electric Company v. Heirs of Spouses Dioniso Deloy and Praxedes Martonito*, 710 Phil. 427, 436 (2013).

SO ORDERED.



RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:



DIOSDADO M. PERALTA
Associate Justice
Chairperson



MARVIC M.V.F. LEONEN
Associate Justice



ANDRES B. REYES, JR.
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice

ATTESTATION

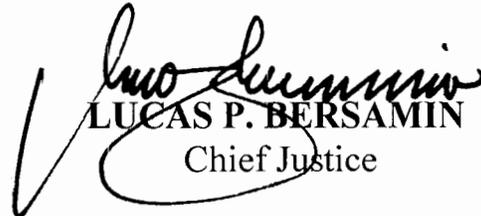
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.



LUCAS P. BERSAMIN
Chief Justice