Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

BRIG. GENERAL MARCIAL A. COLLAO, JR., in his capacity as Commanding General, Headquarters and Headquarters Support Group, Philippine Army, Petitioner,	**G.R. No. 228905**
	Present:
	PERALTA, *C.J.*, *Chairperson*, CAGUIOA, REYES, J., JR., LAZARO-JAVIER, and LOPEZ, *JJ.*
- versus –	
	Promulgated:
MOISES ALBANIA, Respondent.	JUL 15 2020

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D E C I S I O N

PERALTA, *C.J.*:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to nullify and set aside the Decision[1] dated April 28, 2015 and Resolution[2] dated November 29, 2016 of the Court of Appeals (*CA*) in CA-G.R. SP No. 134425. The assailed CA Decision and Resolution affirmed the September 26, 2003 Decision[3] and February 21, 2014 Resolution[4] of the Regional Trial Court (*RTC*) of Makati City, Branch 137, which, in turn, reversed and set aside the March 4, 2002 Decision[5] of the Metropolitan Trial Court (*MeTC*) of Makati City, Branch 65, that granted the amended complaint for unlawful detainer filed by petitioner, through the Office of the Solicitor General (*OSG*), against respondent.

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1 Penned by Associate Justice Ramon A. Cruz, with Associate Justices Remedios A. Salazar-Fernando and Marlene Gonzales-Sison, concurring; *rollo*, pp. 10-19.
2 *Id.* at 99-100.
3 Penned by Judge Santiago Javier Ranada; *id.* at 154-157.
4 Penned by Presiding Judge Ethel V. Mercado-Gutay; *id.* at 171-175.
5 Penned by Judge Rommel O. Baybay; *id.* at 150-153.

The antecedent facts are as follows.

The Commanding General of the Headquarters and Headquarters Support Group of the Philippine Army at Fort Bonifacio is in charge of the administration of all concessionaire areas inside the military reservation therein. Respondent Moises Albania is one of those concessionaires who was granted by the Post Commander with a business permit to operate, for a period of one (1) year, a Tailoring and Barber Shop within the vicinity of the Army Training Unit. By virtue of said grant, the former Post Commander Col. Joseph A. Espina, as representative of the Philippine Army, entered into a Concession Agreement with Albania on March 31, 1993. The agreement provides that the same may be revoked at any time in case of violation of its terms and conditions, of any pertinent Camp rules, or when security, public interest and/or military exigencies or necessity require.[6]

When a substantial portion of Fort Bonifacio Military Reservation was taken by the Bases Conversion Development Authority (*BCDA*), the Philippine Army considered it imperative to relocate its displaced units to the area being occupied by Albania. Petitioner averred that through its Post Commander, it sent Albania various demand letters dated May 25, 1995, June 3, 1996, October 15, 19, and November 29, 1997 for the latter to vacate the premises but despite receipt thereof, Albania failed to leave and pay rentals.[7] Consequently, then Commanding General, Brig. Gen. Lysias Cabusao, filed a complaint[8] for unlawful detainer on May 12, 1998. Later on, when Brig. Gen. Cabusao was succeeded by Brig. Gen. Marcial A. Collao, Jr., the complaint was amended[9] to reflect such change. In his Answer, Albania averred that there was no demand letter terminating the month-to-month contract of lease and that the petitioner continuously collected monthly rentals from him indicating that there was really no need for the premises.[10]

On March 4, 2002, the MeTC of Makati City granted the complaint for unlawful detainer and ordered Albania to vacate the premises and to pay unpaid rentals in the amount of ₱18,639.72 up to October 1999, and pay ₱3,000.00 per month thereafter until such time that Moises Albania shall have finally vacated the premises. It held that when the BCDA took a substantial portion of the Fort Bonifacio Military Reservation, it was imperative for the Philippine Army to relocate to the leased premises. It also found that ejecting Albania is proper in view of the expiration of the contract.[11] The MeTC disposed of the case as follows:

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6 *Id.* at 11.
7 *Id.*
8 *Id.* at 138-141.
9 *Id.* at 145-149.
10 *Id.* at 12.
11 *Id.*

> WHEREFORE, premises considered, judgment is hereby rendered ordering Moises Albania and all persons claiming rights under him to immediately vacate the subject premises and to pay unpaid rentals in the amount of P18,639.72 up to October 1999, and pay P3,000.00 per month thereafter until such time that Moises Albania shall have finally vacated the premises, and pay attorney's fees in the amount of P20,000.00.
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> SO ORDERED.[12]

On September 26, 2003, the RTC reversed the MeTC Decision and dismissed, without prejudice, the complaint for failure of petitioner to comply with the mandatory requirement of impleading the Philippine Army as a party to the case. It ruled that petitioner is not the real party-in-interest as it is the Philippine Army, and not Brig. Gen. Cabusao, which stands to be benefited or injured by whatever judgment is rendered under Section 2 Rule 3 of the Rules of Court. Since petitioner Brig. Gen. Cabusao alleged in his complaint that he was the administrator of all concessionaires inside the military reservation, he is deemed by law as a representative and should have included the beneficiary, the Philippine Army, in the title of the case.[13]

Almost a decade after, or on February 22, 2012, petitioner, through its military officer, Capt. Renato Macasieb, inquired about the status of the case. In a sworn statement, said military officer revealed that he went to the MeTC, Branch 65, to retrieve the records of the case, but was told that the same could not be located. A few days later, on February 28, 2012, he was informed that the files were already at the RTC, Branch 137. Thus, he immediately went to said court and was able to obtain the September 26, 2003 RTC Decision indicating his receipt on the back of the last page of the case records.[14] It was observed that while said decision was rendered in 2003, no registry return cards as proof of service on the parties were attached to the records.[15] Consequently, petitioner, through the OSG, filed a Motion for Reconsideration[16] dated March 12, 2012 assailing the RTC's finding that it is not the real-party-in interest. According to petitioner, Section 3, Rule 3 of the Rules of Court is inapplicable for being inconsistent with Section 1, Rule 70 of the Rules of Court, the prescribed rules governing unlawful detainer cases. Accordingly, the commanding general has the requisite personality to institute the action since the Philippine Army can only act through its agents or officers.[17]

In a Resolution dated February 21, 2014, the RTC declared that copies of its September 26, 2003 Decision were sent to the respective counsels of the parties by way of registered mail albeit the absence of the return cards

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12 *Id* at 153.
13 *Id.* at 13-14.
14 *Id.* at 158.
15 *Id.* at 14.
16 *Id.* at 159-168.
17 *Id.*

from the records. It, nevertheless, maintained that its subject Decision may no longer be disturbed as it had already attained finality. On the real party-in-interest issue, the trial court held that when the complaint for unlawful detainer was filed, the same was bereft of any statement or supporting document that then Brig. Gen. Cabusao was filing it for and on behalf of the real party-in-interest, the Philippine Army.[18]

In its Decision dated April 28, 2015, the CA upheld the denial of petitioner's Motion for Reconsideration essentially on the ground of laches. It maintained that while there may be an absence of proof that petitioner was duly notified of the September 26, 2003 RTC Decision, petitioner waited for the year 2012, or an entire period of ten (10) years from the March 4, 2002 MeTC Decision, to take any further steps in connection with the unlawful detainer case it, itself, had filed. This unreasonable delay constitutes laches and must rightfully operate against petitioner.[19]

When the appellate court denied petitioner's motion for reconsideration in its Resolution dated November 29, 2016, petitioner, through the OSG, filed the instant petition invoking the following arguments:

> I.
> THE PRINCIPLE OF LACHES IS INAPPLICABLE IN THE INSTANT CASE.
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> II.
> THE SEPTEMBER 26, 2003 RTC DECISION IS NOT YET FINAL AND EXECUTORY.
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> III.
> THE PHILIPPINE ARMY'S COMMANDING GENERAL OF THE HEADQUARTERS AND HEADQUARTERS SUPPORT GROUP, BEING THE ADMINISTRATOR OF FORT BONIFACIO MILITARY RESERVATION, HAS THE LEGAL PERSONALITY TO INSTITUTE THE UNLAWFUL DETAINER FOR THE PHILIPPINE ARMY.
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> IV.
> THE UNLAWFUL DETAINER CASE COULD NOT HAVE BEEN DISMISSED BY THE RTC WITHOUT PREJUDICE.[20]

Petitioner, through the OSG, posits that there is no room for the application of laches because it asserted its right in connection with the March 4, 2002 MeTC Decision within the ten (10)-year prescriptive period under Article 1144(3) of the Civil Code, as amended. Also, Section 6, Rule 39 of the Rules of Court is explicit that, assuming that the decision has become final and executory, the right to enforce a judgment prescribes ten

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18 *Id.* at 14-15.
19 *Id.* at 16-19.
20 *Id.* at 63.

(10) years counted from the date said decision becomes final. Thus, when its commissioned military officer went to the MeTC on February 22, 2012 to secure a certified true copy of its March 4, 2002 Decision, or a certificate of finality and entry of judgment to implement the same, it was still within the ten (10) year period allowed, assuming that it had become final and executory. Hence, no delay is attributable to petitioner.

Petitioner also argues that not all of the elements of laches are present in the instant case. *First*, it repeated that there is no delay on its part in asserting its rights within the ten (10)-year period. *Second*, respondent Albania does not stand to suffer any injury or prejudice if the courts below had granted petitioner's cause. Albania's possessory right to the subject property has long expired. Further, petitioner points out that the doctrine of laches does not lie against the government when it sues as a sovereign or asserts governmental rights such as in the instant case where it seeks to recover a land forming part of a military reservation.

Petitioner also asserted that the September 26, 2003 RTC Decision should not be deemed final and executory. Case records reveal that there is neither a registry return card nor a copy of the unclaimed letter, together with the certified or sworn copy of the notice given by the postmaster to the addressee. Thus, in the absence of proof of service on petitioner of the September 26, 2003 RTC Decision, said decision cannot be deemed final and the fifteen (15)-day period within which to file either a motion for reconsideration or petition for review should not be deemed to have lapsed. To rule otherwise would deprive petitioner an opportunity to appeal said judgment.

As for the issue of whether the petitioner was a real party-in-interest, it argues that while the complaint was filed in the name of the then Commanding General of the Philippine Army, without including the Philippine Army in the title of the action, the RTC should not have automatically dismissed the complaint on the basis of Section 3, Rule 3 of the Rules of Court. On the contrary, the applicable provisions are found under Rule 70 of the Rules of Court on forcible entry and unlawful detainer, Section 1 of which provides that the legal representative of the owner-lessor is one of the persons authorized to institute proceedings without impleading their principal. But at any rate, it can be inferred from the pleadings that the action was filed on behalf of the Philippine Army as shown by the continuous amendments of the complaint to reflect the changing personalities and successors of the commanding generals.

Finally, petitioner alleged that contrary to the rulings of the RTC and the CA, the dismissal of its complaint for unlawful detainer could not have been without prejudice, which would discharge the rule under Section 1(g), Rule 41 of the Rules of Court that no appeal may be taken from an order

dismissing an action without prejudice. According to petitioner, the complaint could no longer be re-filed as the one (1)-year reglementary period for filing the same from last demand on respondent Albania on May 25, 1995, June 3, 1996, October 15 and 19, 1997, and November 19, 1997 to vacate the property had prescribed already.

Prefatorily, We reject petitioner's contention that it timely exercised its right relative to the March 4, 2002 MeTC Decision, well within the ten (10)-year prescriptive period to execute the same. Under Section 6,[21] Rule 39 of the Rules of Court, a judgment creditor has two modes in enforcing the court's judgment. Execution may be either through motion or an independent action. These two modes of execution are available depending on the timing when the judgment-creditor invoked its right to enforce the court's judgment. On the one hand, execution by motion is only available if the enforcement of the judgment was sought within five (5) years from the date of its entry. On the other hand, execution by independent action is mandatory if the five (5)-year prescriptive period for execution by motion had already elapsed. However, for execution by independent action to prosper – the Rules impose another limitation – the action must be filed before it is barred by the statute of limitations which, under Article 1144[22] of the Civil Code, is ten (10) years from the finality of the judgment.[23]

Petitioner insists that there is no delay in its attempt to execute the MeTC Decision because it sent its military officer to the MeTC on February 22, 2012 to inquire about the status of its case and to obtain a certificate of finality of the March 4, 2002 MeTC Decision for the purpose of implementing the same, within the ten (10)-year prescriptive period. The Court is not persuaded. To repeat, the law clearly provides that the action to execute a judgment must be *filed* before it is barred by the statute of limitations. It certainly does not mean that the judgment creditor has ten (10) full years to wait until it *sends* someone to the court to *inquire* about the status of the executory judgment.

It must be noted that petitioner's assertion that it had no idea that Albania appealed before the RTC does not support its claims of diligence. To illustrate, petitioner contends that it had no knowledge of the appeal. Thus, as far as it was concerned, petitioner only had to move for the execution of the MeTC Decision in order to eject Albania from the property

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21 Section 6. *Execution by motion or by independent action.* — A final and executory judgment or order may be executed on motion within five (5) years from the date of its entry. After the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action. The revived judgment may also be enforced by motion within five (5) years from the date of its entry and thereafter by action before it is barred by the statute of limitations. (6a)

22 Article 1144. The following actions must be brought within ten years from the time the right of action accrues:

(1) Upon a written contract;

(2) Upon an obligation created by law;

(3) Upon a judgment. (n)

23 *Olongapo City v. Subic Water and Sewerage Co., Inc.*, 740 Phil. 502, 519 (2014).

it claimed to have needed so urgently. Curiously, however, petitioner neither moved for the same nor explained the reason for its failure. In the meantime, Albania went on to fully and intentionally occupy the subject premises. In fact, Albania had already passed away in 2009, a piece of information that the OSG only discovered when the Court, through its April 26, 2017 Resolution, ordered it to inquire whether Albania was still occupying the property.

At this juncture, the Court notes that it is rather doubtful of petitioner's claim that it was not aware of the appeal. In its petition before Us, petitioner insists that it had no knowledge of the fact that the MeTC Decision was appealed to the RTC. Yet, in its Reply before the CA, it stated that it was just waiting for the RTC to render its decision. As such, petitioner cannot claim to be "waiting for any decision from the RTC" and, at the same time, inconsistently assert to have no knowledge of Albania's appeal before the said court. Its Reply states:

> 5. In addition, ***the proceedings insofar as petitioner is concerned was already completed as the Philippine Army was just awaiting for the receipt of any decision from the Regional Trial Court (RTC),*** but no copy of the same was sent to it. It was only upon the instance and request of the commissioned military officer that a copy of the said RTC decision was furnished petitioner.[24]

Despite the foregoing, however, and fortunately for petitioner, it can take refuge in the fact that there is neither a registry return card nor proof of service attached to the records of the case to show that it was notified of the RTC Decision. Section 1, Rule 37[25] and Section 1, Rule 42[26] of the Rules of Court provide that a party has a period of fifteen (15) days from notice of the RTC Decision within which to file either a motion for reconsideration or a

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[24] *Rollo*, p. 18. (Emphasis ours)

[25] Section 1. *Grounds of and period for filing motion for new trial or reconsideration.* — Within the period for taking an appeal, the aggrieved party may move the trial court to set aside the judgment or final order and grant a new trial for one or more of the following causes materially affecting the substantial rights of said party:

(a) Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against and by reason of which such aggrieved party has probably been impaired in his rights; or

(b) Newly discovered evidence, which he could not, with reasonable diligence, have discovered and produced at the trial, and which if presented would probably alter the result.

Within the same period, the aggrieved party may also move for reconsideration upon the grounds that the damages awarded are excessive, that the evidence is insufficient to justify the decision or final order, or that the decision or final order is contrary to law.

[26] Section 1, Rule 42 of the Rules of Court provides:

Section 1. *How appeal taken; time for filing.* — A party desiring to appeal from a decision of the Regional Trial Court rendered in the exercise of its appellate jurisdiction may file a verified petition for review with the Court of Appeals, paying at the same time to the clerk of said court the corresponding docket and other lawful fees, depositing the amount of P500.00 for costs, and furnishing the Regional Trial Court and the adverse party with a copy of the petition. The petition shall be filed and served within fifteen (15) days from notice of the decision sought to be reviewed or of the denial of petitioner's motion for new trial or reconsideration filed in due time after judgment. Upon proper motion and the payment of the full amount of the docket and other lawful fees and the deposit for costs before the expiration of the reglementary period, the Court of Appeals may grant an additional period of fifteen (15) days only within which to file the petition for review. No further extension shall be granted except for the most compelling reason and in no case to exceed fifteen (15) days. (n)

petition for review before the CA to assail said RTC Decision. Further, Sections 9,[27] 10,[28] and 13[29] provide that a party shall be deemed served with the judgment either personally or by registered mail. The service of judgment serves as the reckoning point to determine whether a decision had been appealed within the reglementary period or has already become final.[30] In the present case, while the RTC insisted that it had duly sent copies of its September 26, 2003 Decision to the parties, the records, however, did not contain proof thereof. As attested to by petitioner's military officer, it was only when he went to the RTC on February 28, 2012 that petitioner was able to obtain a copy of the RTC Decision. Thus, the RTC appropriately gave due course to petitioner's Motion for Reconsideration dated March 12, 2012 for being filed within the reglementary period.

The Court is of the view, however, that the RTC should not have dismissed the case outright. In its September 26, 2003 Decision, the RTC did not rule on the main issue of the legality of Albania's possession but focused solely on the argument that the original party-plaintiff, Brig. Gen. Cabusao, was not the real party-in-interest and that the Philippine Army should have been impleaded as a party in the suit. As such, the RTC immediately dismissed the case for lack of cause of action.

In the first place, a cursory perusal of the complaint would reveal a compliance with the requirements of the Rules. Sections 2 and 3 of the 1997 Rules of Court provides:

> SECTION 2. *Parties in Interest.*— A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest. (2a)
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> SECTION 3. *Representatives as Parties.— Where the action is allowed to be prosecuted or defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be included in the title of the case and shall be deemed to be the real party in interest.* A representative may be a trustee of an express trust, a guardian, an executor or administrator,

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[27] Section 9. *Service of judgments, final orders, or resolutions.* — Judgments, final orders or resolutions shall be served either personally or by registered mail. When a party summoned by publication has failed to appear in the action, judgments, final orders or resolutions against him shall be served upon him also by publication at the expense of the prevailing party.

[28] Section 10. *Completeness of service.* — Personal service is complete upon actual delivery. Service by ordinary mail is complete upon the expiration of ten (10) days after mailing, unless the court otherwise provides. Service by registered mail is complete upon actual receipt by the addressee, or after five (5) days from the date he received the first notice of the postmaster, whichever date is earlier.

[29] Section 13. *Proof of Service.* — Proof of personal service shall consist of a written admission of the party served, or the official return of the server, or the affidavit of the party serving, containing a full statement of the date, place and manner of service. If the service is by ordinary mail, proof thereof shall consist of an affidavit of the person mailing of facts showing compliance with section 7 of this Rule. If service is made by registered mail, proof shall be made by such affidavit and the registry receipt issued by the mailing office. The registry return card shall be filed immediately upon its receipt by the sender, or in lieu thereof the unclaimed letter together with the certified or sworn copy of the notice given by the postmaster to the addressee. (10a)

[30] *Mindanao Terminal and Brokerage Service, Inc. v. CA*, 693 Phil. 25, 37 (2012).

> or a party authorized by law or these Rules. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal. (3a)

Here, the title of the complaint states that the plaintiff is "B/Gen. Lysias Cabusao, *in his capacity as Commanding General, Headquarters and Headquarters Support Group, Philippine Army.*" Accordingly, the beneficiary in the present case, which is the Philippine Army, was actually included in the title of the case in compliance with the rule cited above. In fact, the Concession Agreement, which was cited and attached to the complaint similarly states that the lease was entered into by the Philippine Army, through its Commanding General. In the second place, as duly observed by the CA, the complaint was continuously amended to reflect the changes in the personalities and successors of the Commanding Generals of the Philippine Army. Thus, it cannot be denied that the commanding generals initiated the instant case only as representatives of the Philippine Army and not in their personal capacities.

But even assuming that the complaint failed to implead the Philippine Army, case law dictates that the remedy is not the outright dismissal of the complaint but the amendment of the pleadings[31] and the inclusion of said party in the case especially since the omission herein is merely a technical defect.[32] Settled is the rule that the non-joinder of indispensable parties is not a ground for the dismissal of an action. The remedy, instead, is to implead the non-party claimed to be indispensable. Parties may be added by order of the court on motion of the party or on its own initiative at any stage of the action and/or at such times as are just.[33] If the plaintiff refuses to implead an indispensable party despite the order of the court, then the court may dismiss the complaint for the plaintiff's failure to comply with a lawful court order. The operative act, then, that would lead to the dismissal of the case would be the refusal to comply with the directive of the court for the joinder of an indispensable party to the case.[34] This is in accordance with the proper administration of justice and the prevention of further delay and multiplicity of suits.

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31 Section 5, Rule 10 of the Rules of Court provides:

Section 5. *Amendment to conform to or authorize presentation of evidence.* — When issues not raised by the pleadings are tried with the express or implied consent of the parties they shall be treated in all respects as if they had been raised in the pleadings. Such amendment of the pleadings as may be necessary to cause them to conform to the evidence and to raise these issues may be made upon motion of any party at any time, even after judgment; but failure to amend does not effect the result of the trial of these issues. If evidence is objected to at the trial on the ground that it is not within the issues made by the pleadings, the court may allow the pleadings to be amended and shall do so with liberality if the presentation of the merits of the action and the ends of substantial justice will be subserved thereby. The court may grant a continuance to enable the amendment to be made.

32 *Pacaña-Contreras, et al. v. Rovila Water Supply, Inc. et al.*, 722 Phil. 460, 483 (2013).

33 *Heirs of Dinglasan v. Ayala Corp.*, G.R. No. 204378, August 5, 2019.

34 *Pacaña-Contreras, et al. v. Rovila Water Supply, Inc. et al., supra* note 32.

It is in line with this mandate of delay prevention and speedy disposition of cases that the Court shall finally resolve the principal issue raised in the complaint that was filed way back in 1998. The rationale is that forcible entry and unlawful detainer cases are summary proceedings designed to provide for an expeditious means of protecting actual possession or the right to possession of the property involved. It does not admit of a delay in the determination thereof. It is a "time procedure" designed to remedy the situation. Procedural technicality is, therefore, obviated and reliance thereon to stay eviction from the property should not be tolerated.[35]

To recall, the MeTC ordered Albania and all persons claiming rights under him to immediately vacate the subject premises, to pay petitioner unpaid rentals in the amount of ₱18,639.72 up to October 1999, and ₱3,000.00 per month thereafter until such time that Albania finally vacates the premises, and to pay attorney's fees in the amount of ₱20,000.00. The trial court ratiocinated that the one (1)-year lease period had already expired and that petitioner sent notices to Albania demanding that the latter vacate the premises as it was not renewing the lease in view of the former's need to relocate displaced units therein.

Albania, in his appeal to the RTC, argued that he religiously paid monthly rentals and that the Court should have fixed the term of the lease for a longer period pursuant to Article 1687[36] of the Civil Code. Unfortunately for Albania, the Court deems it proper to order his eviction. While it may be argued that an implied new lease could set in due to the fact that Albania continued to enjoy the premises after the expiration of the contract with the acquiescence of the petitioner,[37] this required acquiescence is negated by the fact that petitioner sent Albania notices to vacate, coupled with its filing of the present ejectment suit. Such constitutes categorical acts on the part of petitioner showing that it is no longer amenable to another renewal of the lease contract.[38]

Time and again, the Court has held that for an unlawful detainer suit to prosper, the plaintiff-lessor must show that: *first*, initially, the defendant-lessee legally possessed the leased premises by virtue of a subsisting lease contract; *second*, such possession eventually became illegal, either due to the

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35 *Ocampo v. Vda. de Fernandez*, 552 Phil. 166, 189-190 (2007).

36 Article 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)

37 Article 1670. If at the end of the contract the lessee should continue enjoying the thing leased for fifteen days with the acquiescence of the lessor, and unless a notice to the contrary by either party has previously been given, it is understood that there is an implied new lease, not for the period of the original contract, but for the time established in articles 1682 and 1687. The other terms of the original contract shall be revived.

38 *Yuki, Jr. v. Co*, 621 Phil. 194, 210 (2009).

latter's violation of the provisions of the said lease contract or the termination thereof; *third*, the defendant-lessee remained in possession of the leased premises, thus, effectively depriving the plaintiff-lessor enjoyment thereof; and *fourth*, there must be a demand both to pay or to comply and vacate and that the suit is brought within one (1) year from the last demand.[39] Here, the presence of these requisites were positively found by the MeTC from the records of the present case.

In view of the foregoing, the Court affirms the findings of the MeTC and orders Albania and all persons claiming rights under him to immediately vacate the subject premises. On the matter of unpaid rentals and other fees due to petitioner, however, the Court deems it necessary to remand the case to the MeTC for purposes of computing the same. Note that in light of prevailing jurisprudence, the rental arrearages shall earn legal interest of twelve percent (12%) *per annum*, computed from first demand on May 25, 1995 to June 30, 2013, and six percent (6%) *per annum* from July 1, 2013 until fully paid. Other amounts such as attorney's fees shall, likewise, earn legal interest of six percent (6%) *per annum* from the finality of the Decision until fully paid.[40]

WHEREFORE, premises considered, the instant petition is **GRANTED.** The Decision dated April 28, 2015 and the Resolution dated November 29, 2016 of the Court of Appeals in CA-G.R. SP No. 134425 are hereby **REVERSED** and **SET ASIDE**. Accordingly, the Decision dated March 4, 2002 of the Metropolitan Trial Court (*MeTC*) of Makati City, Branch 65, is hereby **REINSTATED** with **MODIFICATION** in that the case is remanded back to the MeTC for purposes of computing the amount of rental arrearages due to petitioner Brig. General Marcial A. Collao, Jr., in his capacity as Commanding General, Headquarters and Headquarters Support Group, as legal representative of the Philippine Army, which shall earn legal interest of twelve percent (12%) *per annum*, computed from first demand on May 25, 1995 to June 30, 2013, and six percent (6%) *per annum* from July 1, 2013 until full satisfaction. The attorney's fees awarded in favor of petitioner shall also earn legal interest of six percent (6%) *per annum* from finality of this Decision until fully paid.

SO ORDERED.

DIOSDADO M. PERALTA
Chief Justice

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39 *Zaragoza v. Iloilo Santos Truckers, Inc.*, 811 Phil. 834, 841 (2017).
40 *Id.* at 843, citing *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

WE CONCUR:

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

JOSE C. REYES, JR.
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

MARIO V. LOPEZ
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.

DIOSDADO M. PERALTA
Chief Justice