

THIRD DIVISION

[G.R. No. 176413, November 25, 2009]

**SPOUSES DANILO T. SAMONTE AND ROSALINDA N. SAMONTE,
PETITIONERS, VS. CENTURY SAVINGS BANK, RESPONDENT.**

D E C I S I O N

This is a petition for review on *certiorari* of the Court of Appeals (CA) Decision^[1] dated September 27, 2006 and Resolution^[2] dated January 24, 2007 in CA-G.R. SP No. 86875. The assailed decision affirmed *in toto* the Regional Trial Court (RTC)^[3] Decision^[4] dated September 17, 2004 in Civil Case No. 04-913, which in turn affirmed the Metropolitan Trial Court (MeTC)^[5] Decision^[6] dated May 6, 2004 in Civil Case No. 79002 for *Ejectment*.

The facts are as follows:

Petitioners Danilo T. Samonte and Rosalinda N. Samonte obtained a loan amounting to P1,500,000.00 from respondent Century Savings Bank secured by a Real Estate Mortgage^[7] over a property located at 7142 M. Ocampo Street, Pio del Pilar, Makati City. For petitioners' failure to pay the obligation, the mortgage was extrajudicially foreclosed on December 9, 1999 and the property was sold at public auction and was eventually awarded to respondent as the highest bidder.^[8]

Having failed to redeem the property, petitioners entered into a Contract of Lease^[9] with respondent, wherein the former agreed to pay the latter a monthly rental of P10,000.00 for and in consideration of their continuing occupation of the subject property from January 16, 2001-January 16, 2002. Petitioners further acknowledged respondent's valid and legal title to enter into the contract as absolute owner of the property in question.^[10]

On March 28, 2001, respondent consolidated its ownership over the property, which led to the cancellation of petitioners' title and the issuance of a new one in respondent's name.^[11]

Of the agreed monthly rentals, petitioners only paid a total amount of P40,000.00. On April 4, 2002, respondent sent a letter^[12] to petitioners demanding that the latter pay their unpaid rentals and vacate the leased premises. Petitioners, however, refused to heed the demand. Hence, the complaint for ejectment docketed as Civil Case No. 79002.

In their Answer,^[13] petitioners admitted having entered into the contract of lease but claimed that it was void, since their consent was vitiated by mistake and they were made to believe that it was a requirement for the loan-restructuring agreement with the bank. To justify their failure to pay the rents and to vacate the

premises, petitioners insisted on the nullity of the foreclosure proceedings.

Petitioners had, in fact, commenced an action for the nullification of the foreclosure proceedings docketed as Civil Case No. 01-1564.^[14]

On May 6, 2004, the MeTC rendered a decision in favor of respondent, the dispositive portion of which reads:

WHEREFORE, judgment is rendered in favor of plaintiff **Century Savings Bank Corporation**. Defendants spouses **Danilo T. Samonte and Rosalinda N. Samonte and all persons unlawfully withholding subject property located at 7142 M. Ocampo Street, Pio Del Pilar, Makati City, and/or claiming rights under them** are directed, as follows:

1. To immediately vacate subject property and peacefully surrender possession thereof to plaintiff;
2. To pay plaintiff, jointly and severally, P80,000.00 as monthly rental in arrears plus P10,000.00 per month as reasonable compensation for their continued use and occupancy of subject premises starting 16 January 2002 until they actually vacate and surrender possession to it;
3. To pay plaintiff, jointly and severally, P10,000.00 as Attorney's fees; and
4. To pay plaintiff, jointly and severally, the cost of suits.

SO ORDERED.^[15]

On appeal, the RTC affirmed the MeTC decision, thus:

WHEREFORE, premises considered, the decision of the Metropolitan Trial Court, Branch 67, Makati City in Civil Case No. 79002 dated May 6, 2004 is hereby **AFFIRMED IN TOTO** with costs against the defendants-appellants.

SO ORDERED.^[16]

Aggrieved, petitioners elevated the matter to the CA. They insisted that the ejectment case should await the result of the separate action they instituted for the nullification of the foreclosure proceedings. They likewise contended that should the court declare respondent entitled to the possession of the subject property, the same should be provisional and subject to the court's decision in the nullification case. Lastly, they questioned the award of back rentals as they were allegedly awarded based on incorrect computation.^[17]

On September 27, 2006, the CA rendered the assailed decision affirming the RTC decision. The appellate court concluded that the nullification of foreclosure proceedings is not a valid reason to frustrate the summary remedy of ejectment. The CA also refused to make a declaration that respondent's right to possess the subject property would depend on the outcome of the nullification case as it would

be in the nature of a conditional judgment which is void. The CA thus upheld respondent's better right to possess the property subject matter of this controversy.

Hence, the instant petition.

The only issue for determination is whether the instant ejectment case should be suspended pending the resolution of the action for nullity of foreclosure.

We answer in the negative.

As a general rule, an ejectment suit cannot be abated or suspended by the mere filing of another action raising ownership of the property as an issue.^[18] The Court has, in fact, affirmed this rule in the following precedents:

1. Injunction suits instituted in the RTC by defendants in ejectment actions in the municipal trial courts or other courts of the first level (*Nacorda v. Yatco*, 17 SCRA 920 [1966]) do not abate the latter; and neither do proceedings on consignment of rentals (*Lim Si v. Lim*, 98 Phil. 868 [1956], citing *Pue, et al. v. Gonzales*, 87 Phil. 81 [1950]).
2. An "*accion publiciana*" does not suspend an ejectment suit against the plaintiff in the former (*Ramirez v. Bleza*, 106 SCRA 187 [1981]).
3. A "writ of possession case" where ownership is concededly the principal issue before the Regional Trial Court does not preclude nor bar the execution of the judgment in an unlawful detainer suit where the only issue involved is the material possession or possession *de facto* of the premises (*Heirs of F. Guballa, Sr. v. C.A., et al.; etc.*, 168 SCRA 518 [1988]).
4. An action for quieting of title to property is not a bar to an ejectment suit involving the same property (*Quimpo v. de la Victoria*, 46 SCRA 139 [1972]).
5. Suits for specific performance with damages do not affect ejectment actions (e.g., to compel renewal of a lease contract) (*Desamito v. Cuyegkeng*, 18 SCRA 1184 [1966]; *Rosales v. CFI*, 154 SCRA 153 [1987]; *Commander Realty, Inc. v. C.A.*, 161 SCRA 264 [1988]).
6. An action for reformation of instrument (e.g., from deed of absolute sale to one of sale with *pacto de retro*) does not suspend an ejectment suit between the same parties (*Judith v. Abragan*, 66 SCRA 600 [1975]).
7. An action for reconveyance of property or "*accion reivindicatoria*" also has no effect on ejectment suits regarding the same property (*Del Rosario v. Jimenez*, 8 SCRA 549 [1963]; *Salinas v. Navarro*, 126 SCRA 167; *De la Cruz v. C.A.*, 133 SCRA 520 [1984]); *Drilon v. Gaurana*, 149 SCRA 352 [1987]; *Ching v. Malaya*, 153 SCRA 412 [1987]; *Philippine Feeds Milling Co., Inc. v. C.A.*, 174 SCRA 108;