

SEVENTH DIVISION

[CA-G.R. SP No. 134448, February 11, 2015]

**SPS. AMELITO VILLAREAL AND NELMA VILLAREAL AND LALAIN
GUANSING, PETITIONERS, VS. SPS. PABLITO T. TALAY AND
LALAIN R. TALAY, RESPONDENTS.**

DECISION

LAMPAS PERALTA, J.:

Before the Court is a petition for review filed under Rule 42, 1997 Rules of Civil Procedure, as amended, assailing the (i) Decision dated September 16, 2013^[1] in SCA No. 13-1274 of Branch 97, Regional Trial Court (RTC), Antipolo City (at Taytay Rizal), Fourth Judicial Region which affirmed the Decision dated December 17, 2012 of the Municipal Trial Court (MTC), Cainta, Rizal, ordering petitioners to vacate the subject land and to pay respondents monthly rentals, attorney's fees and cost of suit, and (ii) Order^[2] dated February 14, 2014 of the RTC which denied petitioners' motion for reconsideration of the Decision dated September 16, 2013.

THE ANTECEDENTS

The present petition involves a parcel of land located at No. 434 Emma Street, Marick Subdivision, Cainta, Rizal and covered by Transfer Certificate of Title (TCT) No. 068-2011003762^[3] issued in the names of respondents spouses Pablito T. Talay and Lalaine R. Talay. Petitioners spouses Amelito Villareal and Nelma Villareal and Lalaine Guansing occupied the land by mere tolerance of respondents. In July 2011, respondents demanded from petitioners to vacate the land, but the latter refused to do so.

On April 26, 2012, respondents filed with the MTC a complaint against petitioners for "Unlawful Detainer With Prayer for the Payment of Damages"^[4], alleging that (i) respondents were the registered owners of the land, together with all the improvements constructed thereon, per Transfer Certificate of Title (TCT) No. 068-2011003762 issued on March 24, 2011; (ii) petitioners, who were in actual possession of the land, occupied the same as tenants of the previous owners, the heirs of Anunciacion vda. de Estrellado, from whom respondents bought the land on February 25, 2010; (iii) in July 2011, respondents sent petitioners a letter demanding them to vacate the land, but they refused to do so and claimed ownership of the land; and, (iv) petitioners thereafter introduced improvements on the land. Respondents prayed that petitioners and all persons claiming rights under them be ordered to vacate the land and to pay attorney's fees, litigation expenses and cost of suit.

For their part, petitioners invoked ownership of the land through acquisitive prescription and by virtue of a Deed of Absolute Sale dated August 24, 2011^[5]

executed in their favor by the alleged real owner, Felsa Enterprises. Petitioners also alleged that they initially occupied the land on the erroneous assumption that respondents were the lawful owners thereof, until the former discovered that Felsa Enterprises was the real owner of the land, as Felsa Enterprises had filed with Branch 98, Regional Trial Court, Antipolo City a complaint against respondents for quieting of title, reconveyance and cancellation of title.^[6]

After the parties had filed their respective position papers, the MTC rendered a Decision dated December 17, 2012, holding that respondents had preferential right to the possession of the land since they were holders of a Torrens Title (TCT No. 068-2011003762) which was issued earlier than the Absolute Deed of Sale dated August 24, 2011 upon which petitioners based their claim. Accordingly, petitioners were ordered to vacate the land and to pay respondents monthly rentals of P4,500.00 from August 1, 2001 until the land was fully restored to respondents, attorney's fees of P20,000.00 and cost of suit of P3,424.00. Thus:

"WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of the plaintiffs and against the defendants who are ordered to:

a) VACATE the subject property located at No. 434 Emma St., Marick Subdivision, Cainta Rizal;

b) PAY the plaintiffs reasonable monthly compensation in the sum on P4,500.00 for the use and occupation of the subject property computed from August 1, 2001 until possession thereof is finally restored to the plaintiffs;

c) PAY the sum of P20,000.00 as attorney's fees; and

d) PAY the sum of P3,424.00 as the cost of suit.

SO ORDERED."^[7]

Petitioners filed an appeal with the RTC which rendered a Decision dated September 16, 2013^[8] affirming in toto the MTC Decision. Petitioners filed a motion for reconsideration, but the RTC denied the same in an Order dated February 14, 2014.^[9]

Thus, petitioners filed the present petition which is anchored on the following errors allegedly committed by the RTC:

I

THE TRIAL COURT ERRED IN ORDERING THE PETITIONERS TO VACATE THE PREMISES AND TO SURRENDER THE POSSESSION THEREOF TO THE RESPONDENTS.

II

THE TRIAL COURT ERRED IN ORDERING THE PETITIONERS TO PAY MONTHLY COMPENSATION OF PHP 4,500.00 STARTING AUGUST 1, 2011

UNTIL PETITIONERS VACATED THE PREMISES.

III

THE TRIAL COURT ERRED IN ORDERING THE PETITIONERS TO PAY THE SUM OF PHP 20,000.00 AS ATTORNEY'S FEES AND PHPH(SIC) 3,424.00 AS COST OF SUIT.

ISSUE

Whether the RTC erred in affirming the MTC Decision dated December 17, 2012 which granted respondents' complaint for unlawful detainer.

THE COURT'S RULING

In order to resolve the issue of possession, the MTC and RTC passed upon the question of ownership with the express qualification that resolution of the same was only for the purpose of determining the issue of possession. The lower courts found that the claim of ownership by respondents was supported by TCT No. 068-2011003762 and tax declarations issued in respondents' names. On the other hand, petitioners' evidentiary proof, consisting of the Deed of Absolute Sale dated August 24, 2011, was found questionable and also anathema to their claim of ownership by acquisitive prescription. As the MTC pointed out in its Decision dated December 17, 2012:

"Notably, defendants admitted both in their Answer and Position Paper that their occupation in the subject property was based on an erroneous assumption that the plaintiffs were the lawful owners until they discovered that Felsa Enterprises was the true owner thereof. In fine when the Deed of Absolute Sale was executed between Felsa Enterprises and the defendants on August 24, 2011, they recognized the plaintiffs as the owners thereof. Accordingly, their claim of possession for more than thirty (30) years becomes inconsequential for the nature thereof is not one in the concept of an owner in order for acquisitive prescription to set in. In fact, evidence shows that TCT No. 068-2011003762 was issued on March 24, 2011, several months before the sale from Felsa Enterprises to the defendants on August 11, 2011.

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x x x

x x x

. . . x x x[D]efendants' documentary exhibits may be given less probative weight in determining possession for lack of explanation and evidentiary support to show how the 382,487,855 sq.m., more or less, covered under G.L.R.O. Record No. 1037, Decree No. 1131, TCT No. 5251 and OCT No. 333, sold by The Nanjo Shoji Kaisho, Ltd. to spouse Manuel and Atilana Sepulveda and then to Felsa Enterprises, was transferred and subdivided into smaller portions at the time of sale to the defendants without the previous titles being cancelled and registered to the owners subsequent to the original. Verily, TCT No. 068-2011003762 not only enjoys priority in time but also shows the plaintiffs as the registered owners thereof. Further, plaintiffs were the ones who paid the realty taxes thereon, as shown by Tax Declaration Nos. 05-0002-07231 to 32,

which cancelled Tax Declaration Nos. 05-0002-05501 to 02 in the name of Anunciacion vda. de Estrellado.”^[10]

Petitioners, however, asseverate that (i) they cannot be ejected from the land because they are the owners thereof; (ii) respondents' complaint for unlawful detainer should have been suspended pending the final outcome of Civil Case No. 11-9432 for quieting of title, reconveyance and cancellation of title previously filed with Branch 98, Regional Trial Court (RTC), Antipolo City by Felsa Enterprises against respondents; and, (iii) the unlawful detainer case constitutes a collateral attack on petitioners' title and that of their predecessors-in-interest.

The asseverations are unfounded.

It is axiomatic that “in ejectment suits, the only issue for resolution is the physical or material possession of the property involved, independent of any claim of ownership by any of the party litigants. However, the issue of ownership may be provisionally ruled upon for the sole purpose of determining who is entitled to possession de facto.”^[11]

Petitioners and respondents both anchored their right to possession of the land on their respective claims of ownership thereof. Respondents' claim of ownership is supported not only by TCT No. 068-2011003762, but also by tax declarations, as mentioned in the MTC Decision dated December 17, 2012. Petitioners, on the other hand, relied heavily on a Deed of Absolute Sale dated August 24, 2011 purportedly executed between them and Felsa Enterprises.

As between respondents' TCT No. 068-2011003762, which is an incontrovertible proof of ownership, accompanied with tax declarations, and petitioners' Deed of Absolute Sale dated August 24, 2011 executed subsequent to the issuance of said certificate of title, the former must prevail in establishing who has a better right of possession over the land, following the rule that a registered owner of a real property is entitled to its possession. Well-settled is the doctrine that:

“Torrens title is evidence of 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. It is also settled that the titleholder is entitled to all the attributes of ownership of the property, including possession. [T]his Court declared that the 'age-old rule is that the person who has a Torrens title over a land is entitled to possession thereof.”^[12]

It is worth stressing that “when the property is registered under the Torrens system, the registered owner's title to the property is presumed legal and cannot be collaterally attacked, especially in a mere action for unlawful detainer. It does not even matter if the party's title to the property is questionable.”^[13] The legal support for this rule is Section 48 of P.D. No. 1529, otherwise known as the Property Registration Decree, which provides:

SEC. 48. Certificate not subject to collateral attack. — A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or canceled except in a direct proceeding in accordance with law.