

SECOND DIVISION

[G.R. No. 215014, February 29, 2016]

**REBECCA FULLIDO, PETITIONER, VS. GINO GRILLI,
RESPONDENT.**

D E C I S I O N

MENDOZA, J.:

This is a petition for review on *certiorari* seeking to reverse and set aside the May 31, 2013 Decision^[1] and the September 24, 2014^[2] Resolution of the Court of Appeals (CA) in CA-G.R. CEB-SP No. 06946, which affirmed the April 26, 2012 Decision^[3] of the Regional Trial Court, Branch 47, Tagbilaran City (RTC) in Civil Case No. 7895, reversing the March 31, 2011 Decision^[4] of the Municipal Circuit Trial Court, Daus, Bohol (MCTC) in Civil Case No. 244, a case for unlawful detainer filed by Gino Grilli (*Grilli*) against Rebecca Fullido (*Fullido*).

The Facts

Sometime in 1994, Grilli, an Italian national, met Fullido in Bohol and courted her. In 1995, Grilli decided to build a residential house where he and Fullido would stay whenever he would be vacationing in the country.

Grilli financially assisted Fullido in procuring a lot located in Biking I, Daus, Bohol, from her parents which was registered in her name under Transfer Certificate of Title (TCT) No. 30626.^[5] On the said property, they constructed a house, which was funded by Grilli. Upon completion, they maintained a common-law relationship and lived there whenever Grilli was on vacation in the Philippines twice a year.

In 1998, Grilli and Fullido executed a contract of lease,^[6] a memorandum of agreement^[7] (MOA) and a special power of attorney^[8] (SPA), to define their respective rights over the house and lot.

The lease contract stipulated, among others, that Grilli as the lessee, would rent the lot, registered in the name of Fullido, for a period of fifty (50) years, to be automatically renewed for another fifty (50) years upon its expiration in the amount of P10,000.00 for the *whole term* of the lease contract; and that Fullido as the lessor, was prohibited from selling, donating, or encumbering the said lot without the written consent of Grilli. The pertinent provisions of the lease contract over the house and lot are as follows:

That for and in consideration of the total amount of rental in the amount of TEN THOUSAND (P10,000.00) PESOS, Philippine Currency, paid by the LESSEE to the LESSOR, receipt of which is hereby acknowledged, the

latter hereby leases to the LESSEE a house and lot, and all the furnishings found therein, land situated at Biking I, Dauis, Bohol, Philippines, absolutely owned and belonging to the LESSOR and particularly described as follows, to wit:

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That the LESSOR and the LESSEE hereby agree as they have agreed to be bound by the following terms and conditions, to wit:

I. That the term of the lease shall be FIFTY (50) YEARS from August 16, 1998 to August 15, 2048, automatically renewed for the same term upon the expiration thereof;

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lease to any third person, without the written consent of the LESSEES.^[9]

The said lease contract was duly registered in the Register of Deeds of Bohol.

The MOA, on the other hand, stated, among others, that Grilli paid for the purchase price of the house and lot; that ownership of the house and lot was to reside with him; and that should the common-law relationship be terminated, Fullido could only sell the house and lot to whomever Grilli so desired. Specifically, the pertinent terms of the MOA read:

NOW WHEREFORE, FOR AND IN CONSIDERATION of the foregoing premises, the parties hereto agree as they hereby covenant to agree that the FIRST PARTY (*Grilli*) shall permanently reside on the property as above-mentioned, subject to the following terms and conditions:

1. That ownership over the above-mentioned properties shall reside absolutely with herein FIRST PARTY, and the SECOND PARTY (*Fullido*) hereby acknowledges the same;

2. That the SECOND PARTY is expressly prohibited to sell the above-stated property, except if said sale is with the conformity of the FIRST PARTY;

3. That the SECOND PARTY hereby grants the FIRST PARTY, the absolute and irrevocable right, to reside in the residential building so constructed during his lifetime, or any time said FIRST PARTY may so desire;

4. That in the event the common-law relationship terminates, or when the SECOND PARTY marries another, or enters into another common-law relationship with another, said SECOND PARTY shall be obliged to execute a DEED OF ABSOLUTE SALE over the above-stated parcel of land and residential building, in favor of whomsoever the FIRST PARTY may so desire, and be further obliged to turn over the entire consideration of the said sale to the FIRST PARTY , or if the law shall allow, the FIRST PARTY

shall retain ownership of the said land, as provided for in paragraph 7 below;

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7. That if the cases referred to in paragraph 4 shall occur and in the event that a future law shall be passed allowing foreigners to own real properties in the Philippines, the ownership of the above-described real properties shall pertain to the FIRST PARTY, and the herein undersigned SECOND PARTY undertakes to execute all the necessary deeds, documents, and contracts to effect the transfer of title in favor of the FIRST PARTY;

XXX.^[10]

Lastly, the SPA allowed Grilli to administer, manage, and transfer the house and lot on behalf of Fullido.

Initially, their relationship was harmonious, but it turned sour after 16 years of living together. Both charged each other with infidelity. They could not agree who should leave the common property, and Grilli sent formal letters to Fullido demanding that she vacate the property, but these were unheeded. On September 8, 2010, Grilli filed a complaint for unlawful detainer with prayer for issuance of preliminary injunction against Fullido before the MCTC, docketed as Civil Case No. 244.

Grilli's Position

The complaint stated that the common-law relationship between Grilli and Fullido began smoothly, until Grilli discovered that Fullido was pregnant when he arrived in the Philippines in 2002. At first, she told him that the child she was carrying was his. After the delivery of the child, however, it became apparent that the child was not his because of the discrepancy between the child's date of birth and his physical presence in the Philippines and the difference between the baby's physical features and those of Grilli. Later on, she admitted that the child was indeed sired by another man.

Grilli further claimed that he was so devastated that he decided to end their common-law relationship. Nevertheless, he allowed Fullido to live in his house out of liberality and generosity, but this time, using another room. He did not demand any rent from Fullido over the use of his property.

After a year, Fullido became more hostile and difficult to handle. Grilli had to make repairs with his house every time he arrived in the Philippines because she was not maintaining it in good condition. Fullido also let her two children, siblings and parents stay in his house, which caused damage to the property. He even lost his personal belongings inside his house on several occasions. Grilli verbally asked Fullido to move out of his house because they were not getting along anymore, but she refused. He could no longer tolerate the hostile attitude shown to him by Fullido and her family, thus, he filed the instant complaint.

Fullido's Position

Fullido countered that she met Grilli sometime in 1993 when she was still 17 years old working as a cashier in Alturas Supermarket. Grilli was then a tourist in Bohol who persistently courted her.

At first, Fullido was hesitant to the advances of Grilli because she could not yet enter into a valid marriage. When he assured her and her parents that they would eventually be married in three years, she eventually agreed to have a relationship with him and to live as common-law spouses. Sometime in 1995, Grilli offered to build a house for her on a parcel of land she exclusively owned which would become their conjugal abode. Fullido claimed that their relationship as common-law spouses lasted for more than 18 years until she discovered that Grilli had found a new and younger woman in his life. Grilli began to threaten and physically hurt her by knocking her head and choking her.

When Fullido refused to leave their house even after the unlawful detainer case was filed, Grilli again harassed, intimidated and threatened to hurt her and her children. Thus, she filed a petition for Temporary Protection Order (TPO) and Permanent Protection Order (PPO) against Grilli under Republic Act (R.A.) No. 9262 before the Regional Trial Court, Branch 3, Bohol (*RTC-Branch 3*). In an Order,^[11] dated February 23, 2011, the RTC-Branch 3 granted the TPO in favor of Fullido and directed that Grilli must be excluded from their home.

Fullido finally asserted that, although it was Grilli who funded the construction of the house, she exclusively owned the lot and she contributed to the value of the house by supervising its construction and maintaining their household.

The MCTC Ruling

In its decision, dated March 31, 2011, the MCTC dismissed the case after finding that Fullido could not be ejected from their house and lot. The MCTC opined that she was a co-owner of the house as she contributed to it by supervising its construction. Moreover, the MCTC respected the TPO issued by RTC-Branch 3 which directed that Grilli be removed from Fullido's residence. The dispositive portion of the MCTC decision reads:

WHEREFORE, judgment is hereby rendered:

1. Dismissing the instant case;
2. Ordering the Plaintiff to pay to Defendant the amount of Fifty Thousand Pesos (P50,000.00) as moral damages, and Twenty Thousand Pesos (P20,000.00) as exemplary damages, and Twenty Thousand Pesos (P20,000.00) as Attorney's Fees; and
3. Denying the prayer for the issuance of Preliminary Mandatory Injunction.

SO ORDERED.^[12]

Not in conformity, Grilli elevated the matter before the RTC.

The RTC Ruling

In its decision, dated April 26, 2012, the RTC reversed and set aside the MCTC decision. The RTC was of the view that Grilli had the exclusive right to use and possess the house and lot by virtue of the contract of lease executed by the parties. Since the period of lease had not yet expired, Fullido, as lessor, had the obligation to respect the peaceful and adequate enjoyment of the leased premises by Grilli as lessee. The RTC opined that absent a judicial declaration of nullity of the contract of lease, its terms and conditions were valid and binding. As to the TPO, the RTC held that the same had no bearing in the present case which merely involved the possession of the leased property.

Aggrieved, Fullido instituted an appeal before the CA alleging that her land was unlawfully transferred by Grilli to a certain Jacqueline Guibone (*Guibone*), his new girlfriend, by virtue of the SPA earlier executed by Fullido.

The CA Ruling

In its assailed decision, dated May 31, 2013, the CA upheld the decision of the RTC emphasizing that in an ejectment case, the only issue to be resolved would be the physical possession of the property. The CA was also of the view that as Fullido executed both the MOA and the contract of lease, which gave Grilli the possession and use of the house and lot, the same constituted as a judicial admission that it was Grilli who had the better right of physical possession. The CA stressed that, if Fullido would insist that the said documents were voidable as her consent was vitiated, then she must institute a separate action for annulment of contracts. Lastly, the CA stated that the TPO issued by the RTC-Branch 3 under Section 21 of R.A. No. 9262 was without prejudice to any other action that might be filed by the parties.

Fullido filed a motion for reconsideration,^[13] but she failed to attach the proofs of service of her motion. For said reason, it was denied by the CA in its assailed resolution, dated September 24, 2014.

Hence, this present petition raising the following:

ISSUES

I

THE HONORABLE COURT OF APPEALS GRAVELY ERRED AND DEPARTED FROM ESTABLISHED LAW AND JURISPRUDENCE IN DENYING THE PETITION FOR REVIEW AND IN AFFIRMING THE DECISION OF RTC BOHOL BRANCH 47 EJECTING PETITIONER FROM THE SUBJECT PROPERTIES, WHICH EJECTMENT ORDER IS ANCHORED ON PATENTLY NULL AND VOID CONTRACTS.

II

THE HONORABLE COURT OF APPEALS GRAVELY ERRED AND DEPARTED FROM ESTABLISHED LAW IN AFFIRMING THE