

THIRD DIVISION

[G.R. No. 213187, August 24, 2016]

HAIDE BULALACAO-SORIANO, PETITIONER, VS. ERNESTO PAPINA, REPRESENTED BY ROSEMARY PAPINA-ZABALA, RESPONDENT.

D E C I S I O N

VELASCO JR., J.:

Nature of the Case

For resolution is a Petition for Review on Certiorari under Rule 45 of the Rules of Court seeking the reversal of the Court of Appeals (CA) Decision^[1] and Resolution, dated October 30, 2013 and May 29, 2014, respectively, in CA-G.R. SP No. 113098 upholding the eviction of petitioner from the lot over which the latter claims part ownership.

The Facts

Involved herein is a 201-sq.m. parcel of residential land situated in Barangay VII, Daet, Camarines Norte, originally owned by a certain Tomas de Jesus (De Jesus), covered by Tax Declaration (TD) No. 2172.^[2] The subject property was sold by the heirs of De Jesus to respondent Ernesto Papina (Ernesto) and his brother, Manuel Papina (Manuel), for P15,000, as evidenced by a document denominated as "Extrajudicial Settlement of Estate with Sale."^[3] The tax declarations covering the property, however, remained in the name of De Jesus.

Thereafter, respondent's father allowed petitioner Haide Bulalacao-Soriano (Haide) to stay and build a house on the lot, on the condition that she would surrender possession thereof to the co-owners should the latter need the property. In the meantime, Ernesto and Manuel agreed not to partition the property and remain as co-owners thereof.^[4]

In 1993, Ernesto and Manuel mortgaged the property to Haide to secure a P25,000 loan, payable within five (5) years, for which they executed a *Sanglaan ng Lupa na may Karapatan sa Nag Mamay-ari (Sanglaan)*.^[5] By virtue of the *Sanglaan*^[6] petitioner's possession of the subject property remained undisturbed.

Thereafter, sometime in 1998, Ernesto gave Manuel the amount necessary to pay the mortgage loan. The latter, however, appropriated the money, resulting in their failure to pay the loaned amount in full within the five-year period. Petitioner, nevertheless, did not foreclose the mortgage on the property, but remained in possession thereof.

To rectify the situation, Manuel, on August 22, 2000, without Ernesto's knowledge, sold his share in the subject property to Haide for P100,000, payable on installment, with the understanding that she would continue to occupy the premises.^[7] This agreement is embodied in the *Kasunduan sa Bilihan ng Lupa*^[8] (*Kasunduan*) executed by petitioner and Manuel. The provisions of the contract pertinently read:^[9]

1. Sa paglagda ng kasunduang ito, ang halagang DALAWAMPUNG LIBONG PISO (P20,000.00) at ang natitirang halagang WALUMPUNG LIBONG PISO (P80,000.00) ay babayaran sa pamamagitan ng hulugan.

2. Na kung mabayaran na ng IKALAWANG PANIG ang kabuoang halagang napagkasunduan dito ang UNANG PANIG ay obligadong magsagawa ng kasulatang bilinging tuluyan na pabor sa IKALAWANG PANIG.

3. Na ang magbabayad sa kaukulang buwis ng lupa ay ang UNANG PANIG bago mailipat sa IKALAWANG PANIG.

4. Na ang IKALAWANG PANIG ang siyang may karapatan na mamosesyon at makinabang sa lugar na nasasaad sa itaas. (emphasis added)

Pursuant to the *Kasunduan*, Manuel received from petitioner the totgtl amount of P91,500, including the P25,000 consideration of the loan, leaving a balance of P8,500,^[10] with the last installment made on June 27, 2001.^[11]

Anent the balance, Haide alleges that per their contract, it was Manuel's obligation to pay for the taxes due on the property and to transfer the property in her name. Manuel, however, refused to comply with his contractual obligation and instructed her instead to handle the transfers and that any and all amounts to be paid by her in effecting such shall be deemed as payment of the P8,500 balance.^[12]

Acting on Manuel's alleged instruction, petitioner claims that she shelled out P20,780 beginning on April 7, 2005 to defray real property and estate taxes as well as other assessments due the Estate of De Jesus that were due since 1983.^[13] Said unpaid taxes, according to her, were not settled by the Papina brothers after they purchased the subject property from De Jesus. This amount of P20,780, according to petitioner, is more than enough to cover the balance.

Meanwhile, respondent counters that said instruction pertaining to the balance is a mere concoction, and maintains that the balance remains unpaid. There is no evidence, however, that Manuel demanded- payment of any unpaid balance.

In March 2002, intending to finally dissolve the co-ownership, the Papina brothers caused the survey of the property. Three years later, or on October 27, 2005, they entered into a Subdivision Agreement^[14] (Agreement) to partition the property into two (2) lots: respondent Ernesto's lot, Lot 1, with an aggregate area of 80 sq.m.; and Manuel's property, Lot 2, a 121-sq.m. tract.^[15] Per the Agreement, the portion that became Lot 1, respondent Ernesto's lot, was where petitioner Haide's house was located. The Papina brothers, thus, informed petitioner of said agreement and its effect on her possession.

On March 19, 2006, respondent made a formal demand for petitioner to vacate the premises and surrender possession thereof to him, which demand was left unheeded. Two (2) months later, or on May 29, 2006, and because of petitioner's refusal to vacate the property, respondent sought judicial recourse via a Complaint for Ejectment before the Municipal Trial Court (MTC) of Daet, Camarines Norte, docketed as Civil Case No. 2777.

Ruling of the Municipal Trial Court

On March 10, 2009, the MTC, in a Judgment,^[16] dismissed the complaint for lack of jurisdiction, holding that an element of unlawful detainer is not present since respondent's demand to vacate was grounded on petitioner's occupation of the portion that was not sold to her, and not on the termination of her right to hold possession by virtue of a contract or for nonpayment of rent.^[17] The MTC likewise ruled "*[t]he title to the land in question has been put in issue in a manner necessarily affecting the cause of action of the plaintiff. It is necessary, in order to settle the issue, that a determination of who between plaintiff and defendant, has the better right and title to the land in question, which matter is beyond the authority of this court to settle.*"^[18] It then suggested that the proper remedy for respondent is either an *accion publiciana* or *accion reivindicatoria*.

The dispositive portion of the MTC's Decision provides:

WHEREFORE, for lack of jurisdiction of this court, the complaint in this case is ordered to be as it is hereby DISMISSED.

No pronouncement as to costs.

SO ORDERED.^[19]

Ruling of the Regional Trial Court

Upon elevation of the case, the Regional Trial Court, Branch 38 in Daet, Camarines Norte (RTC) rendered a Decision^[20] on September 30, 2009 reversing the MTC's ruling. The RTC disagreed with the MTC and held that the elements for an action for unlawful detainer are present in the instant case. Thus:

xxx the Complaint sufficiently alleges *unlawful withholding of possession* of Lot 1 by [petitioner]. Although he initially never knew about Manuel allowing [petitioner] to stay in the premises, [respondent] did not do anything until the relocation survey and partition on the property. This is *tolerance*, which lasted until [respondent], verbally and in writing, demanded [petitioner] to vacate Lot 1. With these demands to vacate, [petitioner's] possession changed from tolerated occupancy to unlawful dispossession. The formal demand to vacate was made on March 19, 2006 and the Complaint was filed on May 29, 2006. Clear enough, these allegations comprise the jurisdictional requisites for unlawful detainer as laid down in Sections 1 and 2, Rule 70 of the Revised Rules of Court: (1) The defendant unlawfully withholds the possession of a certain land and building; (2) The withholding of possession must be after termination of

the right of possession; and (3) The action should be brought within one (1) year from the date of demand.^[21] xxx

The trial court likewise held that petitioner's right to possess the portion she occupies naturally expired when respondent and his brother executed the Subdivision Agreement.^[22] As a consequence, petitioner's right to possess had been confined to the area delineated and apportioned as Lot 2 for Manuel. To the RTC, the sale between petitioner and Manuel is of no moment, since, fully paid or not, the effect of the [petitioner's] contract can only be limited to the portion to be adjudicated to her predecessor-in-interest upon termination of the co-ownership.^[23]

The *fallo* of the RTC Decision reads:

WHEREFORE, the judgment of the Municipal Trial Court dated March 10, 2009 in Civil Case No. 2777 is hereby REVERSED and SET ASIDE. Appellee Haide Bulalacao-Soriano is ordered to vacate the subject property, Lot 1, and surrender possession thereof to appellant Ernesto Papina. No pronouncement as to costs.

SO ORDERED.^[24]

Reconsideration of the above Decision was denied by the RTC in its December 28, 2009 Order.^[25]

Ruling of the Court of Appeals

Ruling on petitioner's appeal, the CA, in the assailed Decision of October 30, 2013, found the petition to be bereft of merit and affirmed ruling of the RTC, thus:

WHEREFORE, premises considered, the instant Petition is **DENIED**. The challenged Decision dated 30 September 2009 of the Regional Trial Court in Daet, Camarines Norte is **AFFIRMED**.

SO ORDERED.^[26]

Agreeing with the RTC, the CA ruled that: (1) Civil Case No. 2777 is clearly, an unlawful detainer suit; (2) that petitioner, as co-owner of the property by virtue of Manuel's sale of his undivided share in the co-ownership in her favor, only acquired a proportionate share in the lot, not a definite portion thereof; and (3) a co-owner of an undivided interest cannot alienate or sell a specific or determinate part of the thing owned in common, because such right over the thing is represented by a mere aliquot or ideal portion thereof without any physical division.^[27]

Aggrieved, petitioner filed a motion for reconsideration of the assailed CA Decision, which motion was denied by the appellate court in its assailed Resolution^[28] of May 29, 2014.

The Issues

The decisive issue in the case at bar is whether or not respondent has a case for unlawful detainer.

Petitioner, in the main, argues that the unlawful detainer action will not lie against her by virtue of the sale in her favor of Manuel's share, making her the new co-owner thereof, vesting in her the right to possess the co-owned property subject of the instant dispute. She maintains that participation in the subdivision of the property is properly the right of the buyer of the aliquot share and not the seller thereof and that she was deprived of the said right when the Papina brothers entered into the Agreement without her knowledge, consent, authorization, or participation.

To counter respondent's assertion that ownership over Manuel's share has not yet been transferred to her for her failure to pay the full purchase price, she contends that the P8,500 balance had already been covered by the expenses she incurred in the transfer of the Tax Declaration of the pro indiviso share in her name, as per Manuel's instruction, totalling P20,780. And so, insisting that it is she who should have entered into the subdivision agreement with respondent and not Manuel after acquiring the latter's rights over his aliquot share in the co-ownership, petitioner refuses to vacate Lot 1 and seeks the adjudication thereof in her favor.

Respondent, for his part, insists that petitioner's right to possess the property ceased after respondent and Manuel entered into the Agreement. According to him, this Agreement which terminated the co-ownership ended petitioner's right to possess said portion, and gave him the right to have petitioner ejected from Lot 1. He maintains that the Subdivision Agreement is valid since at the time that they entered into such, petitioner has yet to complete the payment for Manuel's share. Noting that the *Kasunduan* is a Contract to Sell, Manuel remained to be the owner of his share in the co-ownership during the period material. He likewise posits that petitioner was duly informed of the planned partition, to which no objection was raised by the latter.

The Court's Ruling

The petition is impressed with merit.

Unlawful detainer is an action to recover possession of real property from one who illegally withholds possession after the expiration or termination of his right to hold possession under any contract, express or implied. The possession by the defendant in unlawful detainer is originally legal but became illegal due to the expiration or termination of the right to possess.^[29]

The only issue involved in unlawful detainer proceedings is as to who between the parties is entitled to physical or material possession of the premises. Nevertheless, where the question of possession in ejectment proceedings cannot be resolved without deciding the issue of ownership, the courts have the power to provisionally resolve the issue of ownership but only for determining the issue of possession.^[30]

In the case at bar, petitioner raised the issue of ownership, arguing that it was already she, not Manuel, who was respondent's co-owner at the time the disputed Agreement was entered into. She claims that she acquired ownership of Manuel's share upon payment of the purchase price. Consequently, the Agreement entered into by Manuel, the former co-owner, is invalid.