

THIRD DIVISION

[G.R. No. 190143, August 10, 2016]

**SPOUSES LOLITA ORENCIA AND PEDRO D. ORENCIA,
PETITIONERS, VS. FELISA CRUZ VDA. DE RANIN, REPRESENTED
BY HER ATTORNEY-IN-FACT, MRS. ESTELA C. TANCHOCO,
RESPONDENT.**

DECISION

REYES, J.:

Assailed in this petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court are the Decision^[2] dated August 27, 2009 and Resolution^[3] dated November 6, 2009 of the Court of Appeals (CA) in CA-G.R. SP No. 106081, which reversed and set aside the Decision^[4] dated July 10, 2008 of the Regional Trial Court (RTC) of Antipolo City, Branch 73, in Civil Case No. 08-749 and the Judgment^[5] dated November 16, 2007 of the Municipal Trial Court (MTC) of Taytay, Rizal, in Civil Case No. 1904.

The Facts

This petition stemmed from a Complaint^[6] for Unlawful Detainer with Damages over Door No. 4 (formerly known as Apartment C) of No. 2 Tanchoco Avenue, El Monteverde Subdivision, Taytay, Rizal, filed by Feliza Cruz Vda. De Ranin (respondent), represented by her sister, Mrs. Estela C. Tanchoco, against Spouses Lolita Orencia (Lolita) and Pedro Orencia (petitioners).

The records showed that the petitioners had been occupying Door No. 4 of the seven-door apartment and lot which is registered under the name of the respondent as evidenced by Transfer Certificate of Title (TCT) No. 514491^[7] and Tax Declarations (TD) No. TY 004-13393^[8] and No. 00-TY-004-5912.^[9]

In her complaint, the respondent alleged that the petitioners stopped and failed to pay the monthly rental on the subject property starting April 15, 2005. On April 24, 2006, the respondent, through counsel, sent to the petitioners a formal letter of demand to vacate,^[10] which was received by the petitioners' representative in the subject property on May 2, 2006 as certified by the Postmaster of the Philippine Postal Corporation of Taytay, Rizal. The respondent also referred the matter to the barangay for conciliation proceedings. However, despite the demand to vacate and referral to the barangay, the petitioners continuously refused to vacate the subject property. Consequently, since no conciliation was agreed upon, a Certification to File Action^[11] was issued.^[12]

On August 8, 2006, the respondent filed a complaint for unlawful detainer case

against the petitioners. However, despite the summons^[13] being served, the petitioners failed to file their answer. Consequently, on September 11, 2006, the respondent filed a Motion for Judgment^[14] which was set for hearing on October 6, 2006. On the same date, the petitioners appeared and the MTC received a copy of their answer. The petitioners were then ordered to file a comment on the respondent's motion. Thereafter, the MTC denied the respondent's motion and ordered the parties to file their respective position papers.^[15]

For her part, Lolita filed her Answer with Counterclaim^[16] and alleged that: (1) there was no cause of action; (2) the respondent does not have the authority to institute an action; (3) there was no prior conciliation proceeding between the parties; and (4) there was no prior demand to vacate.^[17]

On November 16, 2007, the MTC rendered its Judgment^[18] in favor of the petitioners. The MTC dismissed the complaint on the grounds of lack of cause of action and lack of personality to sue by the respondent. The MTC ruled that:

After a careful study of the evidence of the [respondent], it was established that the property occupied by [Lolita] where she is sought to be ejected by the [respondent] does not belong to [the respondent], but to certain Lea Liza Cruz Ranin, who authorized her to occupy the same; that there was no evidence presented by the [respondent] that Lea Liza de Ranin and [the respondent] refer to one and the same person; that in the absence of proof to that effect the court cannot make a conclusion that [the respondent] and Lea Liza Cruz de Ranin are one and the same person.^[19]

Aggrieved, the respondent filed an appeal before the RTC. However, on July 10, 2008, the RTC affirmed the MTC judgment in its entirety.^[20] According to the RTC:

Even if we look into the relevance of [the respondent's] evidence x x x which tend to prove her claim of ownership over the property in question, they instead gave her away. While TCT No. 514491 is in the name of [the respondent], [TD] No. TY 004-13393 is in the name of a certain Lea Liza Cruz Ranin. A close scrutiny of the said [TD] shows that it is the only one which has an apartment as improvement. The other [TD] ([TD] No. 00-TY-004-5912, x x x) in the name of [the respondent] indicates no improvement at all. The court a quo is quite correct when it found that the property in question does not belong to [the respondent] but to a certain Lea Liza Cruz Ranin. The land might be owned by [the respondent] and the improvement thereon might belong to Lea Liza Cruz Ranin as suggested by the evidence on hand. According to the decision of the court below, it was Lea Liza Cruz Ranin who authorized [Lolita] to occupy the premises in question.^[21]

On appeal,^[22] the CA, in its Decision^[23] dated August 27, 2009, reversed and set aside the MTC and RTC decisions, and ordered the petitioners to vacate the subject property. In overturning the trial courts' rulings, the CA held that the respondent's complaint adequately made out a case of unlawful detainer as the latter pointed out in her complaint that despite the letter of demand and the barangay certification, the petitioners failed and refused to vacate the subject property as well as to pay

the monthly rentals. The CA emphasized that the only issue to be resolved in the instant unlawful detainer case is who has the better right of possession over the subject property. According to the CA, the documents adduced by the respondent to support her claim, specifically TCT No. 514491 registered in her name, sufficiently proved that she has a better right of possession over the subject property.

Upset by the foregoing disquisition, the petitioners moved for reconsideration^[24] but it was denied by the CA in its Resolution^[25] dated November 6, 2009. Hence, the present petition for review on *certiorari*.

The Issue

Whether the respondent has the right of physical possession of the subject property.

Ruling of the Court

The petition is bereft of merit.

To begin with, it is perceptible from the arguments of the petitioners that they are calling for the Court to reassess the evidence presented by the parties. The petitioners are, therefore, raising questions of fact beyond the ambit of the Court's review. In a petition for review under Rule 45 of the Rules of Court, the jurisdiction of the Court in cases brought before it from the CA is limited to the review and revision of errors of law allegedly committed by the appellate court.^[26] However, the conflicting findings of fact and rulings of the MTC and the RTC on one hand, and the CA on the other, compel this Court to revisit the records of this case. But even if the Court were to re-evaluate the evidence presented, considering the divergent positions of the courts below, the petition would still fail.

The petitioners' arguments are summarized as follows: (1) the respondent has no cause of action or personality to sue because she is not the owner of the subject property; (2) there were badges of fraud as evidenced by TD No. TY 004-13393 which is in the name of one Lea Liza Cruz Ranin (Lea Liza); (3) they did not personally receive the demand letter which was merely received by a certain Jonalyn Jovellano; (4) the filing of the case is premature as there was no prior conciliation proceedings between the parties before the barangay; and (5) the complaint is a case for quieting of title and/or recovery of possession.^[27]

In the main, the crux of the petitioners' argument focuses only on the assumption that just because the respondent is not the owner of the subject property, then she has no right to its possession.

The facts and the issues surrounding this petition are no longer novel since a catena of cases involving the question of who has a better right of physical possession over a property in an unlawful detainer case has already come before the Court.

Unlawful detainer is an action to recover possession of real property from one who unlawfully withholds possession after the expiration or termination of his right to hold possession under any contract, express or implied. "The possession of the defendant in an unlawful detainer case is originally legal but becomes illegal due to the expiration or termination of the right to possess. The sole issue for resolution in

an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties. When the defendant, however, raises the defense of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership shall be resolved only to determine the issue of possession."

[28]

Guided by the foregoing norms, the allegations of the respondent's complaint made out a case of unlawful detainer based on the petitioners' refusal to vacate the subject property which is Door No. 4. The cause of action was to recover possession of the subject property, on account of the petitioners' alleged non-payment of rentals and failure to comply with the respondent's demand to vacate the subject property. Indeed, the possession of the petitioners, although lawful at its commencement, became unlawful upon its non-compliance with the respondent's demand to pay its obligation and to vacate the subject property.

To summarize, the respondent claims that: (1) she is the registered owner of the subject property; (2) the petitioners are renting Door No. 4 of the subject property; (3) the petitioners failed to pay the monthly rental starting April 15, 2005; and (4) a demand letter to vacate the subject property and to pay the rental dues was sent to the petitioners, but the latter refused to do so.

In the instant case, the position of the petitioners is that the respondent cannot oust them from the subject property because the latter is not the owner of the same. They allege that they constructed and built their own house in the land that they occupied in the concept of an owner/possessor.^[29] They also claim that it was Lea Liza who authorized them to occupy the subject property.^[30]

The respondent, however, rebuts this claim by contending that the subject property is registered under her name and she has been issued a land title under the Torrens system. To support her claim, she submitted TCT No. 514491, TD No. TY 004-13393 and TD No. 00-TY-004-5912.

Without first finding for itself whether there was failure on the part of the petitioners to pay rent which will determine the existence of the cause of action, the MTC and the RTC simply dismissed the case on the grounds of lack of cause of action and lack of legal standing on the part of the respondent. The trial courts also failed to correctly pass upon the issue of ownership in this case to determine the issue of possession. Worse, the trial courts acted on its mistaken notion that the TD should prevail over a Torrens title.

Apparently, the Court has observed that the allegations in the complaint and the answer do not put in issue the existence and validity of the lease contract or their rental agreement. The petitioners never refuted the existence of a lease contract or the fact that they are merely renting the subject property. Likewise, the petitioners never deny their failure to pay rent. What the petitioners dispute is the respondent's ownership of the subject property.

Undeniably, it is evident from the records of the case that the petitioners are the occupants of the subject property which they do not own. The respondent was able to prove by preponderance of evidence that she is the owner and the rightful