

FIRST DIVISION

[G.R. No. 171891, February 24, 2009]

HERNANIA "LANI" LOPEZ, PETITIONER, VS. GLORIA UMALE-COSME, RESPONDENT.

D E C I S I O N

PUNO, C.J.:

Before us is a petition for review on *certiorari* under Rule 45 seeking a review of the Decision^[1] and Resolution^[2] of the Court of Appeals (CA) in CA G.R. SP No. 82808 reversing the decision^[3] of the Regional Trial Court (RTC), Branch 218, Quezon City.

Respondent Gloria Umale-Cosme is the owner of an apartment building at 15 Sibuyan Street, Sta. Mesa Heights, Quezon City, while the petitioner is a lessee of one of the units therein. She was paying a monthly rent of P1,340.00 as of 1999.

On April 19, 1999, respondent filed a complaint for unlawful detainer against petitioner before Branch 43 of the Metropolitan Trial Court (MeTC) of Quezon City on the grounds of expiration of contract of lease and nonpayment of rentals from December 1998. In her answer, petitioner denied that she defaulted in the payment of her monthly rentals, claiming that respondent did not collect the rentals as they fell due in order to make it appear that she was in arrears. Petitioner also alleged that she had been depositing her monthly rentals in a bank in trust for respondent since February 1999.

On March 19, 2003, the MeTC, Branch 43, rendered judgment in favor of respondent, the dispositive portion of which reads:

WHEREFORE, premises considered, the Court finds for the plaintiff and the defendant Hernania "Lani" B. Lopez and all persons claiming rights under her or instructions are hereby ordered:

1. to vacate the leased premises located at 15-1, Sibuyan Street, Sta. Mesa Heights, Quezon City Quezon City (*sic*), Metro Manila;
2. to pay the plaintiff monthly rent in the amount of P1,340.00 starting December, 1998 up to the time that they shall have vacated and surrendered the leased premises to the plaintiff;
3. to pay the plaintiff the amount of P20,000.00 as and be (*sic*) way of attorney's fees; and
4. costs of suit.^[4]

On appeal, the RTC reversed the decision of the MeTC and ruled that the contract of lease between respondent and petitioner lacked a definite period. According to the RTC, the lessee may not be ejected on the ground of termination of the period until the judicial authorities have fixed such period. It ratiocinated:

Under the law, there is a noticeable change on the grounds for judicial ejectment as to expiration of the period. Paragraph (f) of Section 5, only speaks of expiration of the period of lease contract, deleting the phrase "of a written lease contract." However, under its Sec. 6, it provides:

SECTION 6. Application of the Civil Code and Rules of Court of the Philippines. - Except when the lease is for a definite period, the provisions of paragraph (1) of Article 1673 of the Civil Code of the Philippines, insofar as they refer to residential units covered by this Act, shall be suspended during the effectivity of this Act, but other provisions of the Civil Code and the Rules of Court on lease contracts, insofar as they are not in conflict with the provisions of this Act shall apply.

BP Blg. 877 was extended by RA No. 6643, RA No. 6828, RA No. 7644, and RA No. 8437 approved 22 December 1997 extending the law up to 31 December 2001, without changed (*sic*) in the provision of the law except as to the period of maximum increase allowable.

The condition about the expiration of the period as provided for under Act 877 was never change (*sic*) despite the several extensionary (*sic*) laws to it.

The law is so perspicuous to allow other (*sic*) interpretation. It suspends the provisions of the first paragraph of Article 1673 of the Civil Code, except when the lease is for a definite period. Thus, if the lease has no period but to be fixed yet by the judicial authorities, the lessee may not be ejected on ground of termination of the period.

This particular provision compliments the very purpose of the law prohibiting increase in rentals more than the rates provided therefor.

If they could be ejected with ease just the same by simply interpreting that if a lessee is paying his rentals monthly, the lease is considered month to month, and month to month lease contract is with a definite period, then what part of Article 1673 was suspended?

The amendatory provisions of the Rent Control Law, which the lawmakers had deemed proper to extend everytime (*sic*) it is about to expire, is nothing but illusory!

In light of the above reasoning, plaintiff-appellee's ground based on the expiration of the lease contract must fail. BP Blg. 877 as amended suspends the ejectment of lessees based on the expiration of lease contract where there was no agreement as to a definite lease period.

Finally, the plaintiff has, in effect, abandoned her other ground of non-payment of rental having stipulated on the consignment by defendant of the back rental from December 1998 to September 2002 during the pre-trial.

WHEREFORE, premises considered, the assailed decision is REVERSED and SET ASIDE. The case is DISMISSED.