

## FIRST DIVISION

[ G.R. No. 161387, March 13, 2009 ]

**SPOUSES ADRIANO AND NORMA SIOSON and SPOUSES ARNIEL AND EDITH SIOSON, PETITIONERS, VS.**

**CARPIO, J.:**

### The Case

This is a petition for review<sup>[1]</sup> of the 26 June 2003 Decision<sup>[2]</sup> and 4 December 2003 Resolution<sup>[3]</sup> of the Court of Appeals in CA-G.R. SP No. 67304. The Court of Appeals affirmed the 6 July 2001 Decision<sup>[4]</sup> and 11 September 2001 Order<sup>[5]</sup> of the Regional Trial Court of Iloilo City, Branch 33 (RTC). The RTC reversed the 14 March 1997 Decision<sup>[6]</sup> of the Municipal Trial Court in Cities of Iloilo City, Branch 2 (MTCC).

### The Facts

On 4 June 1996, the heirs of Federico Avanceña (respondents) filed a complaint for ejectment against spouses Adriano and Norma Sioson and spouses Arniel<sup>[7]</sup> and Edith Sioson (petitioners). Respondents alleged that petitioners constructed their cottages on a portion of their lot, Lot No. 934-B-4, covered by Transfer Certificate of Title No. T-111572 (TCT No. T-111572).<sup>[8]</sup> Respondents maintained that there was no lease agreement between the parties and that respondents merely tolerated petitioners' occupation of their lot. Respondents added that petitioners did not heed their 3 May 1996 demand letter asking petitioners to vacate the property, prompting respondents to file the complaint. Respondents also asked for the payment of rent, attorney's fees, costs of litigation, and moral and exemplary damages.

In their answer with counterclaim, petitioners denied that their cottages stood on Lot No. 934-B-4. Spouses Adriano and Norma Sioson alleged that their cottage stood entirely on Lot No. 934-B-7, a road-widening lot, which was the boundary of Lot No. 934-B-4 on the south. Spouses Arniel and Edith Sioson claimed that their cottage did not stand on either Lot Nos. 934-B-4 or 934-B-7 but stood across Molo-Arevalo Boulevard. Petitioners added that Lot No. 934-B-7 did not belong to respondents. Petitioners also asked for attorney's fees, litigation expenses, and moral and exemplary damages.

In their answer to counterclaim, respondents insisted that petitioners' cottages stood on Lot No. 934-B-4. Respondents admitted that Lot No. 934-B-7 was an area reserved for the proposed road widening of Molo-Arevalo Boulevard. However, respondents maintained that the project had not yet been implemented and no expropriation proceedings had been initiated by the City of Iloilo for the project.

Upon orders<sup>[9]</sup> of the MTCC, an ocular inspection and a relocation survey were conducted on 16 and 24 August 1996, respectively.

In the preliminary conference order,<sup>[10]</sup> petitioners and respondents agreed that the issues should be limited to determining: (1) whether petitioners had cottages standing on Lot No. 934-B-4 and (2) who among the parties were entitled to damages.

On 14 March 1997, the MTCC rendered its decision in favor of petitioners. The dispositive portion of the MTCC decision reads:

WHEREFORE, premises considered, the complaint is hereby ordered DISMISSED with costs.

Counterclaim is likewise dismissed for lack of merit.

SO ORDERED.<sup>[11]</sup>

Aggrieved, respondents appealed to the RTC.

On 6 July 2001, the RTC reversed the MTCC's decision. The dispositive portion of the 6 July 2001 Decision provides:

WHEREFORE, based on the foregoing considerations, We hereby Order to:

1. Reverse the Decision dated 14 March 1997;
2. Direct defendants/appellees Spouses Adriano and Norma Sioson and Spouses Arniel and Edith Sioson to vacate the 239 squaremeters subplot 934-B-7 considering that the same belonged to the plaintiffs/appellants - pro-indiviso - with their other co-heirs shown in Exhibit "G" and the 129<sup>[12]</sup> square meters of Lot 934-B-4 because this portion belonged to plaintiffs/appellants;
3. Direct defendants/appellees Spouses Adriano and Norma Sioson to pay, jointly and severally, the monthly rentals of the properties that they occupied and used in the pursuit of their business in the name and style of Adring's Lechon and Manokan from the filing of the Complaint on 4 June 1996 until they completely vacate said premises at the rate of P1,500.00 per month;
4. Direct the defendants/appellees Spouses Adriano and Norma Sioson to pay, jointly and severally, attorney's fees in the amount of P5,000.00; and
5. Direct the defendants/appellees Spouses Adriano and Norma Sioson to pay, jointly and severally, the cost of litigation in the amount of P3,000.00.

SO ORDERED.<sup>[13]</sup>

Petitioners appealed to the Court of Appeals.

On 26 June 2003, the Court of Appeals affirmed the RTC's decision. The dispositive portion of the decision reads:

WHEREFORE, premises considered, the instant petition for review is hereby DISMISSED.

SO ORDERED.<sup>[14]</sup>

Petitioners filed a motion for reconsideration.

On 4 December 2003, the Court of Appeals denied petitioners' motion for reconsideration.

### **The Ruling of the MTCC**

The MTCC declared that spouses Adriano and Norma Sioson's cottage occupied Lot No. 934-B-7 and only its walls stood on the boundary of Lot No. 934-B-4. The MTCC also declared that spouses Arniel and Edith Sioson's cottage stood on neither Lot No. 934-B-4 nor Lot No. 934-B-7.

### **The Ruling of the RTC**

The RTC declared that petitioners' cottages were built on 139 square meters of Lot No. 934-B-4 and on a portion of the 239 square meters of Lot No. 934-B-7.

The RTC also concluded that the cession<sup>[15]</sup> of Lot No. 934-B-7 in favor of the City of Iloilo appeared to have been abandoned because the City of Iloilo neither initiated any expropriation proceeding nor issued any title to Lot No. 934-B-7. Consequently, the RTC declared respondents and the other co-heirs as the owners pro-indiviso of Lot No. 934-B-7. The RTC also ruled that respondents had a better right of possession over Lot No. 934-B-7 than petitioners.

### **The Ruling of the Court of Appeals**

The Court of Appeals agreed with the RTC's conclusions. The Court of Appeals added that even assuming that the City of Iloilo did not abandon the road widening project, this did not give petitioners the absolute right to possess and occupy Lot No. 934-B-7 in derogation of the rights of respondents.

### **The Issues**

Petitioners raise the following issues:

1. Whether the RTC could, in the exercise of its appellate jurisdiction, reverse the MTCC's decision by deciding an issue not raised in the pleadings or beyond the theory of the case before the lower court; and
2. Whether the RTC could, on appeal, reverse the MTCC's factual findings which were clearly supported by evidence.

### **The Ruling of the Court**

The petition is meritorious.

Petitioners argue that the RTC and the Court of Appeals should not have made any