

## THIRD DIVISION

[ G.R. No. 149189, September 03, 2008 ]

**LETICIA T. FIDELDIA, PETITIONER, VS. SPOUSES RAUL AND  
ELEONOR MULATO, RESPONDENTS.**

### DECISION

**CHICO-NAZARIO, J.:**

This is a Petition for Review under Rule 45 of the Revised Rules of Court assailing the Decision<sup>[1]</sup> dated 23 March 2001 of the Court of Appeals in CA-G.R. SP No. 62263 and its Resolution<sup>[2]</sup> dated 25 July 2001 denying petitioner Leticia T. Fideldia's (Leticia's) Motion for Reconsideration.

#### I

#### FACTS

The undisputed factual and procedural antecedents of this case are as follows:

**Civil Case No. 459-BG: Action for  
Specific Performance against Petra  
Fideldia**

Petra Fideldia (Petra) was then the registered owner of two lots situated in Poblacion Bauang, La Union, identified as Lot 4-B and Lot 4-C under Transfer Certificates of Title (TCTs) No. 21636 and No. 21637. On 8 March 1982, Petra executed a document, bearing the title Conditional Deed of Sale, selling the said properties to the spouses Ray and Gloria Songcuan (spouses Songcuan), who were among the lessees thereof.

The lots subject of the sale were cleared of lessees, except for the spouses Songcuan, who remained on the property. When the offer to pay the agreed price was refused, the spouses Songcuan filed before the Regional Trial Court (RTC) of Bauang, La Union, an action for specific performance against Petra and a certain Manuel L. Mangaser,<sup>[3]</sup> docketed as Civil Case No. 459-BG. During the pendency of the case, a notice of *lis pendens* was annotated at the back of TCTs No. 21636 and No. 21637 upon the instance of the spouses Songcuan.

On 4 November 1991, the RTC ruled in favor of the spouses Songcuan, to wit:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs Songcuans against the defendants [Petra] Fideldia and Mangaser as follows:

(1) Defendant [Petra] Fideldia --

a) She is ordered to execute a document in due form conveying to the plaintiffs spouses Ray Songcuan and Gloria Songcuan full ownership of the property subject matter of the conditional contract of Sale (Exh. A and Exh. 4) as well as to deliver to the Songcuans the titles of Lot 4-B and Lot 4-C, and the said plaintiffs [spouses Songcuan] are likewise ordered to deliver the balance of the purchase price of P330,000.00 minus the costs of documentary stamps;

b) Defendant [Petra] Fideldia is ordered to pay the Songcuans the following amounts: P11,400.00 as moral damages and hospital expenses; P5,000.00 as exemplary damage; P8,640.00 refund of rentals, P20,000.00 for repairs, etc. of the Fideldia building, and P5,000.00 attorney's fees and expenses of litigation mentioned herein;

c) x x x x

d) The counterclaim of defendant [Petra] Fideldia against the plaintiffs [spouses Songcuan] is also dismissed.

x x x x

(4) Defendant [Petra] Fideldia is ordered to pay the costs.<sup>[4]</sup>

Petra appealed the afore-quoted RTC Decision to the Court of Appeals. Her appeal was docketed as CA-G.R. CV No. 38855.

Sometime in 1994,<sup>[5]</sup> during the pendency of her appeal before the appellate court, Petra donated both properties to her daughters: Lot 4-B to Leticia and Lot 4-C to Vilma Fideldia (Vilma).

On 21 March 1996, the Court of Appeals affirmed<sup>[6]</sup> the RTC Decision with modification. Its *fallo* reads:

WHEREFORE, the appealed judgment is AFFIRMED with MODIFICATIONS that paragraph (1), subparagraph a) of the dispositive portion of said judgment is amended to the effect that parties should comply with Exhibits A-B and 4-A as quoted in the text of herein decision; and the award of moral damages is reduced to P8,000.00; the payment for hospital expenses is deleted; the amount of P2,800.00 is ordered returned to herein plaintiffs-appellees [spouses Songcuan]. The rest of the dispositive portion of said appealed decision remains undisturbed.

Still unsatisfied, Petra filed a Petition for Review with this Court, docketed as G.R. No. 124336. In a Resolution dated 5 August 1996, the Court denied the Petition since the issues raised were essentially factual and there was no sufficient showing that the findings of the Court of Appeals were not supported by the requisite quantum of evidence. The Court found no reversible error in the appellate court's Decision. The Motion for Reconsideration was denied with finality on 21 October 1996.

The Court's Resolution dated 5 August 1996 became final and executory on 4

December 1996. Consequently, the Decision dated 29 March 1996 of the Court of Appeals in CA-G.R. CV No. 38855 modifying the Decision dated 4 November 1991 in Civil Case No. 459-BG became final.

Thereafter, respondents spouses Raul and Eleonor Mulato (spouses Mulato), who were also originally lessees of the subject properties, negotiated with the spouses Songcuan for the lease of Lots 4-B and 4-C for P10,000.00 per month. Starting December 1996, the spouses Mulato began paying rentals to the spouses Songcuan, instead of to Petra.

Sometime in 1997,<sup>[7]</sup> Vilma donated Lot 4-C to her sister Leticia. Leticia had the donation registered, making her the registered owner of both Lot 4-B and Lot 4-C under TCTs No. T-39541 and No. T-47083, respectively.

**CA-G.R. SP No. 59257: Petition for  
*Certiorari* against the order deferring the  
execution of the judgment in Civil Case  
No. 459-BG**

In the meantime, the spouses Songcuan filed with the RTC a motion for execution to enforce the Decision dated 29 March 1996 of the Court of Appeals in CA-G.R. CV No. 38855. The RTC granted the motion on 3 November 1997 and issued a Writ of Execution. However, the writ was twice returned unsatisfied. Thereafter, the RTC issued an Alias Writ of Execution on 13 April 1998. The Alias Writ of Execution was also returned unsatisfied.

On 27 July 1998, Petra filed with the RTC a Motion to Suspend the Execution of the 29 March 1996 Decision of the Court of Appeals in CA-G.R. CV No. 38855. The RTC issued an Order<sup>[8]</sup> denying said Motion and issued a Second Alias Writ of Execution on 12 August 1999. However, the Second Alias Writ of Execution, like the previous writs, was returned unsatisfied.

Petra filed a Motion for Reconsideration of the said RTC Order. In an Order dated 3 December 1999, the RTC granted Petra's Motion for Reconsideration, reversed its earlier Order, and suspended the execution of the 29 March 1996 Decision of the Court of Appeals in CA-G.R. CV No. 38855. It was now the turn of the spouses Songcuan to move for the reconsideration by the RTC of its Order dated 3 December 1999, but it was denied by the RTC in another Order dated 22 May 2000.

The spouses Songcuan, meanwhile, consigned to the RTC on 19 May 2000 the amount of P330,000.00 representing the balance of the purchase price for the two lots.

The spouses Songcuan then filed a Petition for *Certiorari* with the Court of Appeals seeking to annul the Order of 22 May 2000 of the RTC deferring the execution of the judgment of the Court of Appeals in CA-G.R. CV No. 38855, for having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction. Their Petition was docketed as CA-G.R. SP No. 59257. The Court of Appeals, in its Decision dated 30 March 2001, granted<sup>[9]</sup> the Petition of the spouses Songcuan and annulled the RTC Order of 3 December 1999; and in its Resolution dated 11 December 2001, denied Petra's Motion for Reconsideration.

Petra, now joined by her daughter Leticia, filed a Petition for Review with this Court, docketed as G.R. No. 151352. On 29 July 2005, this Court rendered its Decision<sup>[10]</sup> affirming the 30 March 2001 Decision of the Court of Appeals in CA-G.R. SP No. 59257.

**Civil Case No. 922: The unlawful detainer case, subject of the present petition**

On 2 June 1999 (when Petra's Motion to Suspend the Execution of the 29 March 1996 Decision of the Court of Appeals in CA-G.R. CV No. 38855 was still pending resolution, but before the spouses Songcuan could pay the balance of the purchase price in the amount of P330,000.00), the spouses Mulato received a letter of demand from Leticia increasing the monthly rentals for the subject properties to P25,000.00, to be paid to Leticia; otherwise, the spouses Mulato must vacate the premises. When the spouses Mulato ignored her letter of demand, Leticia filed with the Municipal Trial Court (MTC) of Bauang, La Union, a complaint for unlawful detainer against them, which was docketed as Civil Case No. 922.

On 6 April 2000, the MTC rendered its Decision in favor of Leticia, to wit:

WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of the plaintiff [Leticia] and against the defendant[s] [spouses Mulato] who is [sic] hereby ordered, to wit:

1. To vacate the subject premises and surrender possession of the same;
2. To pay the plaintiff [Leticia] the accumulated rental of P100,000.00 and monthly rental of P25,000.00 beginning September 1999 and every succeeding months thereafter until they vacate and surrender the premises to the plaintiff [Leticia] plus legal interest;
3. To pay the plaintiff [Leticia] attorney's fees in the amount of P25,000.00; and
4. Costs of litigation.<sup>[11]</sup>

According to the MTC, the Decision dated 29 March 1996 of the Court of Appeals in CA-G.R. CV No. 38855, although already final and executory, did not automatically transfer ownership of the properties to the spouses Songcuan. There were still the following acts that needed to be done:

1. The execution by Petra of the document in due form conveying to the spouses Songcuan full ownership of the property subject matter of the Conditional Contract of Sale;
2. The delivery by Petra of the TCTs of Lots 4-B and 4-C to the spouses Songcuan; and
3. The payment by the spouses Songcuan of the balance of the purchase price for the properties, in the amount of P330,000.00, minus the cost of documentary stamps.

According to the MTC, the document conveying ownership of the properties need not yet be executed because the Songcuan spouses had not complied with the order to pay to Petra the balance of the purchase price for the said properties in the sum of P330,000.00. Thus, ownership of the properties still remained with Petra and her successor-in-interest Leticia. It was only appropriate that the titles to the properties continue to be registered in the name of Leticia, under TCTs No. T-39541 and No. T-47083. Being the registered owner, Leticia was entitled to the payment of the rent on the properties leased to the spouses Mulato in accordance with Articles 441<sup>[12]</sup> and 442<sup>[13]</sup> of the Civil Code. On the other hand, as the lessees of the leased premises, the spouses Mulato were bound to pay the rent therefor to the owner in accordance with Articles 1657<sup>[14]</sup> and 1240<sup>[15]</sup> of the Civil Code, and not to other persons not authorized by the rightful owner. Considering the failure of the spouses Mulato to comply with their obligation as lessees, Leticia, as the rightful owner of the properties, had the right, under Article 1673<sup>[16]</sup> of the Civil Code, to judicially eject them on the ground of nonpayment of the price stipulated.

The spouses Mulato filed an appeal with the RTC where it was docketed as Civil Case No. 1274-BG. On 22 September 2000, the RTC promulgated its Decision reversing the judgment of the MTC in Civil Case No. 922 and ruling thus:

IN VIEW THEREOF, the Court hereby renders judgment declaring the decision rendered by the court a quo dated April 6, 2000, as without legal basis and is hereby set aside and annulled and declaring herein Sps. Songcuan as the lessor[s] of herein appellants [spouses Mulato].

Insofar as the resolution of the Motion for Execution pending appeal, the same has become moot and academic considering that the basis of said motion which is the decision of the Court a quo has been reversed.

Without pronouncement as to cost.<sup>[17]</sup>

The RTC reasoned that the contract entered into by Petra and the spouses Songcuan, although denominated as a Conditional Contract of Sale, was absolute in nature, there being neither a stipulation reserving title to the vendor, Petra, until full payment of the purchase price; nor a grant to her of the right to unilaterally rescind the contract in case of nonpayment of the same. In an absolute sale, ownership of the thing sold passes on to the vendee upon constructive or actual delivery thereof. Hence, the ownership of Lot 4-B and Lot 4-C passed on to the spouses Songcuan, considering that the properties were delivered to them both constructively and actually. There was constructive delivery of the properties when the contract selling the same was executed on 8 March 1982, in favor of the spouses Songcuan, bearing no condition or reservation. There was actual delivery when the spouses Songcuan took unconditional possession of the properties and leased the same to the spouses Mulato, who had been paying rent therefor to them. Given the foregoing, the RTC concluded that the sale of the properties by Petra to the spouses Songcuan was already perfected, resulting in the transfer of ownership thereof to the latter. The spouses Mulato now occupied the properties as the lessees of the rightful owners of the same, namely, the spouses Songcuan. Hence, there was no merit in Leticia's action for ejectment against the spouses Mulato.

Leticia filed a Petition for Review with the Court of Appeals, where it was docketed