498 Phil. 105

SECOND DIVISION

[G.R. NO. 134239, May 26, 2005]

REYNALDO VILLAFUERTE AND PERLITA T. VILLAFUERTE, PETITIONERS, VS. HON. COURT OF APPEALS, EDILBERTO DE MESA AND GONZALO DALEON, RESPONDENTS.

D E C I S I O N

CHICO-NAZARIO, J.:

This is a petition for review on *certiorari* of the Decision[1] of the Court of Appeals in CA-G.R. CV No. 41871 which affirmed, with modification, the decision[2] of the Regional Trial Court, Branch 55, Lucena City, in Civil Case No. 90-11 entitled, "*Reynaldo C. Villafuerte and Perlita Tan Villafuerte v. Edilberto De Mesa and Gonzalo Daleon.*"

The facts, as established by the Court of Appeals, follow:

> Appelees – the spouses Reynaldo C. Villafuerte and Perlita Tan-Villafuerte – operated a gasoline station known as *Peewee's Petron Powerhouse Service Station and General Merchandise* on the premises of three (3) adjoining lots at the corner of Gomez Street and Quezon Avenue in Lucena City. One of these lots, Lot No. 2948-A with an area of 575 square meters, is owned by several persons, one of whom is appellant Edilberto de Mesa, while the other lot, Lot 2948-B with an area of 290 square meters, is owned by appellant Gonzalo Daleon and his brother Federico A. Daleon. The remaining lot belongs to Mrs. Anicia Yap-Tan, mother of appellee Perlita Tan-Villafuerte.
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> Appellants Edilberto de Mesa and Gonzalo Daleon acquired their respective lots subject to the lease by Petrophil Corporation which had built thereon the gasoline station being managed by the Villafuerte couple. When the lease of Petrophil Corporation expired on December 31, 1988, the Villafuertes obtained a new lease on Lot No. 2948-A from appellant Edilberto de Mesa for a period expiring on December 31, 1989, thus:.
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> "*1 – This lease will be for a period of one (1) year only, from January 1, 1989 and will terminate on the 31st of December 1989 at a monthly rental of FOUR THOUSAND PESOS (P4,000.00)*." (Exhibit "1-A-1" De Mesa).
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> As regards Lot 2948-B of the Daleon brothers, the Villafuertes were not as lucky. For, instead of obtaining a lease renewal, what they received were demand letters from the brothers' counsel ordering them to vacate the premises. Instead of complying therewith, the Villafuertes simply

ignored the demand and continued operating the gas station (Exhibits "3-B", "3-C" and "3-F", Daleon).

On May 9, 1989, in the Office of the Barangay Captain of Barangay Tres, Lucena City, a complaint for ejectment was filed by Gonzalo Daleon against the Villafuertes (Exhibit "6", Daleon). Evidently, no settlement was reached thereat, as shown by a certification to file action issued by the *lupon*.

With their problem with the Daleon brothers far from over, the Villafuertes were apt for another one; their lease contract with Edilberto de Mesa was not renewed when it expired on December 31, 1989. Nonetheless, and duplicating what they had done in the case of the property of the Daleon brothers, the spouses continued to operate their gasoline station and other businesses on the lot of de Mesa despite the latter's demand to vacate.

What transpired next lays at the core of the instant controversy.

It appears that in the early morning of February 1, 1990, appellants Edilberto de Mesa and Gonzalo Daleon, with the aid of several persons and without the knowledge of the Villafuertes, caused the closure of the latter's gasoline station by constructing fences around it.

The following day – February 2, 1990 – the Villafuertes countered with a complaint for damages with preliminary mandatory injunction against both Edilberto de Mesa and Gonzalo Daleon. Docketed in the court below as Civil Case No. 90-11, the complaint seeks vindication for the alleged malicious and unlawful fencing of the plaintiffs' business premises (Records, pp. 1-6).

Invoking their status as owners of the withheld premises, the defendants admitted in their respective answers having caused the fencing of the plaintiffs' gasoline station thereat but reasoned out that they did so on account of the plaintiffs' refusal to vacate the same despite demands.

After hearing the parties in connection with the plaintiffs' application for a writ of preliminary mandatory injunction, the lower court, in its order of May 23, 1990, ruled that with the expiration of the lease on the defendants' property, the plaintiffs have no more right to stay thereon and, therefore, cannot pretend to have a clear and unmistakable right to an injunctive writ and accordingly denied their application therefore (Rec., p. 186). In a subsequent order of July 30, 1990, the same court denied the Villafuertes' motion for reconsideration (Rec., p. 237).

Later, with leave of court, the Villafuertes amended their complaint to allege, among others, that the complained acts of the defendants cost them the following items of actual damages:

a) Daily Sales (4000-5000 lts.) at .35¢lt. mark-up,
P1,750 x 270 days P472,500.00

b)	Storage Fee of POL (Petroleum, Oil & Lubricants) Recom 4 at 5% for 100,000 lts. = 5000 lts. X 3 quarters x P6.00/lt.	90,000.00
c)	Tires, Batteries, Accessories (TBA) Gen. Merchandise Sales, P50,000/mo. 20% mark-Up = P10,000 x 9 months	90,000.00
d)	Hauling of Petroleum products for Peewee's Petron Powerhouse, 2 trips weekly, P1,500 X 8 trips/mo. X 9 months	108,000.00
e)	Hauling of Petroleum products for military 7 trips/qtr., P1,500/trip x 21 (3 qtrs.)	31,500.00
f)	Balloon Business (Sunshine Balloons) P50,000.00 capital, P6,000/mo. Income TOTAL LOSS	200,000.00
g)	Uncollected Debts	619,030.61
h)	Uncollected Checks	37,449.05
i)	Merchandise Inventory as of July 25, 1990, P141,036.50 value, 50% damaged	70,518.25
j)	Damaged Office Equipments	30,000.00
k)	Stampitas (Religious Articles) and other Hermana Fausta Memorial Foundation, Inc. printed matters entrusted in my care, totally damaged by rain and termites	5,000.00
l)	Products lost in 4 underground tanks	249,805.00
m)	Interest payments to RCBC (Rizal Commercial Banking Corporation) for additional loan availed of to pay off products acquired on credit from Petron Corp. but were held inside gas station	172,490.53
	TOTAL --	P2,176,293.44

(Rec., pp. 290, 300)

The amended complaint thus prayed for the following reliefs:

> *"WHEREFORE, it is respectfully prayed of this Hon. Court that judgment be rendered in favor of the plaintiffs:*
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> *A - Immediately ordering the issuance of a writ of preliminary mandatory injunction against the defendants commanding them and any person acting in their behalf to forthwith remove the fence they have constructed around the premises in question, and after trial making the said injunction permanent.*

B - Ordering the defendants to pay jointly and severally the plaintiffs the following:

1) Moral damages equivalent to not less than P200,000.00;

2) Exemplary damages in the amount of P50,000.00;

3) Attorney's fee in the amount of P60,000.00 plus twenty-five percent (25%) of the amount of damages to which plaintiffs are entitled; and

4) Litigation expenses in this instance in the amount of P10,000.00

C - Requiring the defendants to pay jointly and severally actual damages representing unrealized income and profits as well as losses referred to in paragraphs 10 and 12 hereof in such amount as may be shown in evidence during the hearing.

D - Granting the plaintiffs such other just and equitable remedies to which they may be entitled under the law and equity." (Orig. Rec., pp. 292-293).

As later events disclosed, the defendants resumed possession of the premises in question on January 25, 1991 (Rec., p. 333). Four (4) days later, they obtained a judgment by compromise from the Municipal Trial Court in Cities, Lucena City in connection with the suit for ejectment they earlier filed thereat against Petrophil Corporation. In that judgment, Petrophil bound itself to remove the materials and equipment related to the operation of the gasoline station on the subject premises. (Rec., pp. 355-356).

After the parties herein had presented their respective evidence, the lower court came out with the decision now under review. Dated November 13, 1990, the decision dispositively reads:

"WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and ordering the defendants Edliberto de Mesa and Gonzalo Daleon to pay, jointly and severally, plaintiffs the following:

1. *Actual damages in the total amount of TWO MILLION ONE HUNDRED SEVENTY SIX THOUSAND AND TWO HUNDRED NINETY THREE PESOS AND FORTY FOUR CENTAVOS (P2,176,293.44);*

2. *Moral damages in the amount of P200,000.00;*

3. *Exemplary damages in the amount of P50,000.00;*

4. *P50,000.00, as and for attorney's fees; and*

5. *Costs of suit.*

SO ORDERED" (Rec., pp. 408-414).[3]

The trial court ruled that with the continued occupation by petitioners of the two lots belonging to private respondents, despite the expiration of the lease contracts over

the same, petitioners had become "undesirable lessees."[4] However, it was improper for private respondents to resort to fencing their properties in order to remove petitioners from the premises in the light of the clear provision of the Civil Code on the matter, to wit:

> *Art. 536. In no case may possession be acquired through force or intimidation as long as there is a possessor who objects thereto. He who believes that he has an action or a right to deprive another of the holding of a thing, must invoke the aid of the competent court, if the holder should refuse to deliver the thing.*

Having disregarded the plain requirement of the law, private respondents were held accountable to petitioners for the various damages prayed for by petitioners in their amended complaint.

In due time, private respondents filed their respective appeals before the Court of Appeals which affirmed, with modification, the decision of the trial court. The dispositive portion of the appellate court's decision reads:

> WHEREFORE, the decision appealed from is MODIFIED by holding the appellants jointly and severally liable to the appellees for P50,000.00 as exemplary damages and for P27,000.00 as actual damages, itemized as follows:
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> 1. detention of the records: P7,000.00;
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> 2. detention of the merchandise: P10,000.00;
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> 3. value of the damaged merchandise and religious items: P5,000; and
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> 4. detention of offices equipment: P5,000.00,
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> and by holding the appellees jointly and severally liable for rental to appellants Edilberto de Mesa and Gonzalo Daleon in the amount of P5,500.00 and P39,000.00, respectively.
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> The deficiency in the payment of the docket fees, to be computed by the clerk of court of the lower court, shall constitute a lien on this judgment. [5]

In adjudging private respondents liable for damages, the Court of Appeals substantially ruled that:

1. Private respondents could not invoke the doctrine of self-help contained in Article 429 of the Civil Code[6] reasoning that the doctrine finds no application when occupation was effected through lawful means such as in this case where petitioners' possession of the lots owned by private respondents was effected through lease agreements;

2. Petitioners' continued unauthorized occupation of private respondents' properties may have been illegal, however, it was incumbent upon private respondents to abide by the express provision of Article 536 of the Civil Code