

FIRST DIVISION

[G.R. No. 125088, April 14, 2004]

**LAGRIMAS A. BOY, PETITIONER, VS. COURT OF APPEALS,
ISAGANI P. RAMOS AND ERLINDA GASINGAN RAMOS,
RESPONDENTS.**

DECISION

AZCUNA, J.:

Before us is a petition for review on *certiorari* of the decision of the Court of Appeals in an ejectment case, docketed as CA-G.R. SP No. 38716, which reversed and set aside the decision^[1] of the Regional Trial Court of Manila, Branch 54,^[2] and reinstated the decision^[3] of the Metropolitan Trial Court of Manila, Branch 14,^[4] ordering petitioner to vacate the disputed premises and to pay rent until the premises are vacated and possession is turned over to private respondents.

The facts, as stated by the Court of Appeals, are as follows:

On September 24, 1993, the spouses Isagani P. Ramos and Erlinda Gasingan Ramos, private respondents herein, filed an action for ejectment against Lagrimas A. Boy (Lagrimas), petitioner herein, with the Metropolitan Trial Court of Manila. In their Complaint, the spouses Ramos alleged that they are the owners of a parcel of land with an area of 55.75 square meters, and the house existing thereon, situated at 1151 Florentino Torres St., Singalong, Manila. They acquired the said properties from Lagrimas who sold the same to them by virtue of a Deed of Absolute Sale,^[5] which was executed on June 4, 1986. However, Lagrimas requested for time to vacate the premises, and they agreed thereto, because they were not in immediate need of the premises. Time came when they needed the said house as they were only renting their own residence. They then demanded that Lagrimas vacate the subject premises, but she refused to do so. Hence, they initiated this action for ejectment against Lagrimas.^[6]

In her Answer, Lagrimas alleged that sometime in September 1984, in order to accommodate her brother's need for a placement fee to work abroad, she borrowed P15,000 from the spouses Ramos, who asked for the subject property as collateral. On June 4, 1986, the spouses Ramos caused her to sign a Deed of Absolute Sale purporting to show that she sold the property in question to them for the sum of P31,000. The balance of P16,000 was promised to be paid on that date, but the promise was never fulfilled. Sometime in May 1988, Erlinda Ramos and Lagrimas executed an agreement (*Kasunduan*)^[7] acknowledging that the subject parcel of land, together with the upper portion of the house thereon, had been sold by Lagrimas to the spouses Ramos for P31,000; that of the said price, the sum of P22,500 (representing P15,000 cash loan plus P7,500 as interest from September 1984 to May 1988) had been paid; that the balance of P8,500 would be paid on the

last week of August 1988; and that possession of the property would be transferred to the spouses Ramos only upon full payment of the purchase price.^[8]

Lagrimas admitted that the counsel of the spouses Ramos sent her a letter demanding that she vacate the premises. Lagrimas alleged that the demand for her to pay the sum of P6,000 per month has no legal basis. Lagrimas was summoned by the Punong Barangay for conciliation, but no settlement was reached.^[9]

The Metropolitan Trial Court (MeTC) noted the existence of a Deed of Absolute Sale executed by the spouses Ramos and Lagrimas on June 4, 1986. The Deed was duly acknowledged before a Notary Public and the parties therein did not deny its due execution. The MeTC observed that Lagrimas' defense that the spouses Ramos still had to pay the amount of P16,000 to complete the full consideration of P31,000 was nowhere to be found in the Deed of Absolute Sale.^[10]

The MeTC held that the *Kasunduan*, which Lagrimas attached to her Answer, cannot be given binding effect. The MeTC stated that while Erlinda Ramos admitted the existence of said document, she thought that Lagrimas was only asking for an additional amount. Erlinda Ramos claimed that after signing and reading the document, she realized that it did not contain the true facts of the situation since they had already purchased the subject property and were, therefore, the owners thereof. Erlinda Ramos, thereafter, refused to give her residence certificate and asked the notary public not to notarize the document. Said incident was attested to by way of affidavit by Lutgarda Reyes, the friend and companion of Lagrimas.^[11]

Moreover, the MeTC ruled that the continued occupation by Lagrimas of said property after the sale, without payment of rent, was by mere tolerance. It held that since the spouses Ramos, who were staying in a rented place, were asked to vacate the same, they were in need to take possession of their own property.^[12]

The MeTC thus rendered judgment in favor of private respondents, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs [herein private respondents] and against the defendant [herein petitioner], ordering the latter and the persons claiming rights under her to vacate the premises known as 1151 Florentino [Torres] Street, Singalong, Manila. The defendant is likewise ordered to pay plaintiffs the sum of P1,000.00 per month as reasonable compensation for the use and occupation of the premises from the filing of this complaint until the premises is vacated and possession is turned over to the plaintiffs; the further sum of P5,000.00 as attorney's fees plus the costs of the suit.

Defendant's counterclaim is hereby dismissed for lack of merit.

SO ORDERED.^[13]

Petitioner appealed said decision to the Regional Trial Court, which rendered judgment in her favor, thus:

In view of the foregoing, this Court hereby reverses the assailed Decision and dismisses the complaint. Costs against the appellee.

The order previously issued granting execution pending appeal is accordingly recalled.

SO ORDERED.^[14]

The Regional Trial Court (RTC) held that the *Kasunduan* was binding between the parties and was the true agreement between them. It ruled that pending the determination of the question of ownership, it cannot deprive the party in actual possession of the right to continue peacefully with said possession. Since the question of ownership was inextricably woven with that of possession, the RTC held that the MeTC should have dismissed the case because jurisdiction pertains to another tribunal.^[15]

Private respondents filed a petition for review of the decision of the RTC with the Court of Appeals. They faulted the respondent Judge for giving credence to the *Kasunduan* and holding that it prevailed over the Deed of Absolute Sale. The Court of Appeals ruled in favor of private respondents, thus:

WHEREFORE, the decision of the respondent Judge herein appealed from is hereby **REVERSED** and **SET ASIDE**, and the decision of the Metropolitan Trial Court is hereby **REINSTATED**.

SO ORDERED.^[16]

The Court of Appeals found, thus:

A review of the records discloses that the private respondent [herein petitioner Lagrimas] acquired the subject property from one Marianita C. Valera by virtue of two instruments. The first one is a Deed of Sale dated September 27, 1984, in which the vendor Marianita C. Valera sold a house of light wooden materials and her rights as a bonafide tenant of the land on which it stands, to the vendee Lagrimas A. Boy for P31,000.00 (Annex 1 to the Affidavit of Lagrimas A. Boy, p. 67, Record). The second one is a deed of absolute sale and assignment of rights dated March 18, 1985, in which the vendor Ma. Nita C. Valera sold a residential house and her rights and interests over a parcel of land in which it is located, to vendee Lagrimas A. Boy, for the price of P31,000.00 (Annex 2, Affidavit of Lagrimas A. Boy, pp. 68-69, Record).

It appears from the foregoing that Marianita C. Valera was originally one of the tenants/residents of 669 square meters of land owned by the PNB. She constructed a house on a 55.75 square meter portion of the said land. In 1984, she sold the house and only her rights as tenant of the land to private respondent, because the PNB had not yet sold the land to the residents. In 1985, the sale of the land to the residents had already been accomplished. Hence, she sold the house and her rights and interests to the land to the private respondent.

Significantly, these contracts coincide with certain events in the relationship between the petitioners [herein private respondents spouses Ramos] and private respondent. According to the Answer of private respondent, sometime in September, 1984, she borrowed the sum of P15,000.00 from the petitioners to accommodate her brother's placement fee to work abroad (par. 7, Answer, p. 19, Record). And on March 19, 1985, the private respondent executed a deed of real estate mortgage (Annex a to the Affidavit of Erlinda C. Ramos, pp. 54-55, Record), in which she mortgaged the properties she has acquired from Marianita C. Valera to the petitioners, to secure a loan in the amount of P26,200.00, payable within three months.

One year later, on June 4, 1986, the private respondent executed a deed of absolute sale in which she sold the same property acquired from Marianita C. Valera to the petitioners, for the price of P31,000.00. [17]

Considering that petitioner borrowed P26,200 from private respondents, which loan was covered by a real estate mortgage of the subject house and lot, and the subsequent sale of the property to private respondents for P31,000 after non-payment of the loan, the Court of Appeals did not give credence to the statement in the *Kasunduan* that private respondents paid only P22,500 to petitioner since her indebtedness already reached P26,200. The Court of Appeals gave weight to the argument of private respondents that Erlinda Ramos was merely tricked into signing the *Kasunduan*. It gave credence to the version of private respondents on how the *Kasunduan* came to be executed but not notarized, thus:

x x x Erlinda G. Ramos alleged in her affidavit that sometime in May, 1988, the exact date of which she cannot recall, Lagrimas Boy went to their residence and pleaded that even if they have already fully paid the subject house and lot, she was asking for an additional amount because she needed the money and there was no one for her to approach (*walang ibang matatakbuhan*). She [Erlinda Ramos] claimed she committed a mistake because she agreed to give an additional amount and went with [Lagrimas] to Atty. Estacio at the City Hall. [Lagrimas] arrive[d] ahead [of] Atty. Estacio in company with her friend Lutgarda Bayas. Atty. Estacio told her [Erlinda Ramos] that she will give an additional amount and she agreed without the knowledge of her husband. Atty. Estacio handed to her a piece of paper and she was made to sign and she acceded and signed it without reading. After [Lagrimas] and her witnesses including her companion Lutgarda Bayas signed the paper, she [Erlinda Ramos] go[t] it and read it. It was at that point that she discovered that what were written thereon were not in accordance with the true and real fact and situation that the subject house and lot already belongs to them because they have purchased it already and {Lagrimas} only requested for an addition. She [Erlinda Ramos] told Atty. Estacio to change (*baguhin*) the statement because she was not agreeable and she did not give her residence certificate (Cedula). Notary Public Estacio said that he cannot notarize the document (purported *Kasunduan*) because she [Erlinda Ramos] refused saying she was "*Pumapalag*." He said that Erlinda Ramos and [Lagrimas] should talk to each other again. She [Erlinda Ramos] committed another mistake because she left the place