

## FIRST DIVISION

[ G.R. No. 124148, May 20, 2004 ]

**PACITA G. VARONA, ORLANDO AYSON, MILA CASTILLO-SI AND  
ANGELITA P. SABINO, PETITIONERS, VS. COURT OF APPEALS  
AND EVANGELINE LIM, RESPONDENTS.**

### D E C I S I O N

**AZCUNA, J.:**

Before us is a petition for review on *certiorari* of the decision of the Court of Appeals, in CA-G.R. SP No. 37806, affirming the decision of the Regional Trial Court of Angeles City, Branch 59, in Civil Cases Nos. 7767-7770.

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

On February 16, 1994, petitioners Orlando Ayson, Pacita Varona, Mila Castillo-Si and Angelita Sabino were issued Mayor's Permits to occupy Market Stalls Nos. 311, 312, 313, 314, respectively, in the New Pampang Public Market in Angeles City.<sup>[1]</sup>

By virtue of the Mayor's Permits issued to them, petitioners sought to evict private respondent who was then the occupant of the disputed stalls. Thus, on March 8, 1994, petitioners Orlando Ayson and Pacita Varona filed Complaints for ejectment against private respondent before the Municipal Trial Court of Angeles City, Branch I, docketed as Civil Cases Nos. 94-29 and 94-30 respectively.<sup>[2]</sup>

In her Answers filed on March 25, 1994, private respondent alleged, inter alia, the following: That ever since the New Pampang Public Market commenced its operation, she has been the lawful and actual occupant of the subject market stalls; that petitioners' occupancy of the market stalls was by virtue only of the Mayor's Permits issued to them, which by no means automatically vest upon them the right to occupy the disputed market stalls since one has first to apply and secure an approval from the Market Administrator and a certification to the effect that the applicant is a legitimate stallholder which requirements have not been complied with by petitioners; that presently the City Government of Angeles is undertaking the recall and revocation of the permits issued to petitioners.<sup>[3]</sup>

On March 22, 1994, the Mayor's Permits of petitioners Pacita Varona, Orlando Ayson, Mila Castillo-Si and Angelita Sabino were revoked by Mayor Edgardo Pamintuan<sup>[4]</sup> on the following grounds: (1) Their names did not appear in the Master List of Stallholders at said market; and (2) they did not apply for and secure from the Market Administrator the required clearance prior to the issuance of said permits.

On March 29, 1994, despite revocation of their Mayor's Permits, petitioners Mila Castillo-Si and Angelita Sabino, invoking the same cause of action as that of Ayson

and Varona, also filed Complaints for ejectment against private respondent before the same Municipal Trial Court, docketed as Civil Cases Nos. 94-34 and 94-35, respectively.<sup>[5]</sup>

In her Answers dated May 13, 1994, private respondent reiterated her allegations in the Answers she filed to the Complaints of petitioners Ayson and Varona, with the new allegation that the Mayor's Permits issued to petitioners were already recalled or revoked on March 22, 1994.<sup>[6]</sup>

The Municipal Trial Court rendered four identical decisions<sup>[7]</sup> (except for the names of the plaintiffs and the stall numbers involved) in favor of petitioners, ordering private respondent to: (1) Vacate Stalls Nos. 311, 312, 313 and 314 (*Sari-sari* Section) of the New Pampang Public Market, Angeles City; (2) pay each of the petitioners attorney's fee of P10,000, appearance fee of P500 per appearance, and P1,000 as reasonable fee for private respondent's continued possession of the subject market stalls from February, 1994, until she finally vacates the stalls; and (3) pay the costs of the suit.

Private respondent appealed the said decisions to the Regional Trial Court of Angeles City, docketed as Civil Cases Nos. 7767, 7768, 7769 and 7770, contending, among other things, that the Municipal Trial Court has no jurisdiction over the complaints; that the complaints have become moot and academic; and that the Municipal Trial Court rendered judgment in favor of the plaintiffs (petitioners) without factual and legal basis.

The Regional Trial Court rendered a Joint Decision reversing and setting aside the decisions of the Municipal Trial Court, the dispositive portion of which reads:

WHEREFORE, the judgment of the lower court particularly Municipal Trial Court, Branch I, Angeles City, in Civil Cases Nos. 94-29; 94-30; 94-34; and 94-35 (RTC Cases Nos. 7767, 7768, 7769 and 7770), are hereby reversed and set aside, and a new decision is hereby rendered, that appellant Evangeline Lim has a better right than the appellees to stay in possession of the market stalls of the Pampang Public Market particularly Stalls Nos. 312, 313, 314 and 315, here in Angeles City, without prejudice on the part of the appellees to file an action for recognition of their preferred rights to file an ordinary action in the proper forum.

The supersedeas bond filed by the appellant is hereby dissolved and the amount of the same be reimbursed to the appellant, as well as the monthly rentals she had deposited.

SO ORDERED.<sup>[8]</sup>

The Regional Trial Court held that the rule on forcible entry and unlawful detainer is not applicable in the instant case, there being no proof adduced by petitioners that private respondent forcibly entered and occupied the market stalls in question by intimidation, threat, strategy or stealth, or that the private respondent originally acquired possession of the stalls lawfully and thereafter unlawfully withheld the possession of the stalls, after the expiration or termination of the detainer's right to hold possession by virtue of a contract, express or implied.<sup>[9]</sup>

Moreover, the Regional Trial Court found that petitioners Ayson and Varona filed Civil Cases Nos. 94-29 and 94-30 respectively in the Municipal Trial Court on March 8, 1994. On March 22, 1994, their Mayor's Permits were revoked, pending trial in the inferior court. Hence, the court ruled that said cases are deemed moot and academic due to supervening event.<sup>[10]</sup>

In regard to petitioners Castillo-Si and Sabino, the Regional Trial Court found that they filed Civil Cases Nos. 94-34 and 94-35 respectively in the inferior court on September 14, 1994 (should be March 29, 1994), when the Mayor's Permits of said petitioners were already revoked on March 22, 1994. The court thus ruled that they have no more cause of action and their cases are moot and academic.<sup>[11]</sup>

Petitioners filed a petition for review of the Joint Decision of the Regional Trial Court in the Court of Appeals.

The Court of Appeals ruled:

It should be noted that in all the four (4) ejectment cases filed by petitioners against private respondent, their common cause of action is premised on the identical proposition that they are the rightful stallholders of the market stalls in the New Pampang Public Market by virtue of the Mayor's Permits issued to them on February 16, 1994.

As earlier stated, petitioners' right to occupy the disputed market stalls was terminated by the revocation of their Mayor's permits on March 22, 1994. And since there is nothing in the records to show that herein petitioners were subsequently issued new Mayor's permits nor was there a showing that their revoked permits were reinstated, petitioners, therefore, [have] no cause of action against herein private respondent.

Considering, therefore, that since the basis of petitioners' cause of action ceased to exist, no practical or useful purpose would then be served by passing on the merits of the instant petition.

The Court of Appeals pronounced judgment, thus:

**WHEREFORE**, the instant petition for review is hereby DISMISSED. Accordingly, the decision of the RTC, Angeles City, Branch 59 in Civil Cases Nos. 7767-7770 is **AFFIRMED**.

SO ORDERED.<sup>[12]</sup>

Hence, petitioners filed the instant petition.

In their Memorandum, petitioners raised these issues:

1. WHETHER PETITIONERS AS TRANSFEREES IN GOOD FAITH HAVE VALID CAUSE OF ACTION AGAINST THE PRIVATE RESPONDENT.
2. WHETHER THE FINDINGS OF FACTS CONTAINED IN THE COURT OF APPEALS' DECISION SUBJECT MATTER OF THE PETITION FOR REVIEW ON CERTIORARI