

THIRD DIVISION

[G.R. No. 140967, June 26, 2003]

**EMERITA ACOSTA, OPERATING UNDER THE BUSINESS NAME
AND STYLE OF NEW HAM'S TRADING, PETITIONER, VS. EMILIO
ENRIQUEZ, RESPONDENT.**

D E C I S I O N

CORONA, J.:

This is a petition for review of the decision^[1] of the Court of Appeals dated November 29, 1999 affirming the July 28, 1995 decision of the Regional Trial Court (RTC) of Zamboanga City, Branch 16, in Civil Case No. 309(85).

It appears that a complaint for *accion publiciana* was filed by respondent Emilio Enriquez against petitioner, Emerita Acosta, operating under the business name and style of New Ham's Trading. In his complaint, respondent averred that he is the owner of a parcel of land located at Rajah Soliman St., Zamboanga City with an area of 98 square meters covered by Transfer Certificate of Title (TCT) No. T-66,680. Constructed on said land is a three-storey building owned likewise by him.

Petitioner occupied door nos. 30-32, consisting of the ground, mezzanine, and second floors of respondent's building. Albeit no written lease contract was executed, petitioner, together with her late husband Francisco, who was respondent's brother, paid rent in 1984 in the amount of P3,000 a month. However, she eventually stopped paying rent after her husband died.

On March 16, 1987, respondent gave notice to petitioner to vacate. She was given only until the end of June 1987 to use the property because respondent needed the space for his business. Again, on June 25, 1987, respondent demanded that petitioner vacate the premises. Petitioner failed to do so and in fact refused to vacate the property. Thus, on January 22, 1988, respondent, through counsel, sent petitioner a letter demanding payment of rentals for the whole year of 1987 at P8,000 a month and informed petitioner that the rent effective January 1, 1988 was to be P10,000 a month.

Petitioner, however, continued to disregard respondent's demands. She also failed to pay her rent of P8,000 a month for the whole year of 1987 and P10,000 a month from January 1, 1988 to April 1989. Hence, an action for recovery of possession (*accion publiciana*) was filed by respondent against petitioner.

In her answer, petitioner admitted respondent's allegations in his complaint that, in 1984, she paid rentals for the property but later on refused to pay the same. She denied, however, that respondent owned the property covered by TCT No. 66680 and the portion of the building in which her store was located. She claimed that her late husband, Francisco, owned several parcels of land but owed several creditors.

In order to pay his debts, Francisco obtained a loan from Monte de Piedad Savings Bank, through his brother, Emilio, who had better credit with banks. For that purpose, Francisco temporarily transferred the titles of his landholdings to respondent, in trust for the former, to be used as collateral for the loans which respondent obtained for Francisco. Respondent successfully obtained the loan, and thus, her husband was able to pay his debts.

Petitioner also claimed that part of the proceeds of the loan was used to purchase the property occupied by her New Ham's Trading store. Thus, said property belonged to and was in fact owned by her husband. But since her husband's demise, petitioner claimed that she and her children with Francisco were the lawful owners of the property in question, and the parcels of land he transferred to respondent.

After trial, the RTC of Zamboanga City rendered a decision^[2] in favor of respondent, the dispositive portion of which read:

WHEREFORE, judgment is hereby rendered in favor of plaintiff EMILIO ENRIQUEZ and against defendant EMERITA ACOSTA ENRIQUEZ, operating under the business name and style of New Ham's Trading, as follows:

1. Ordering said defendant and all persons claiming rights under her, members of her family, agents, representatives, or privies, to immediately vacate plaintiff's premises at Door No. 32, first floor, mezzanine and second floor of plaintiff's building located at Lot 5, covered by Transfer Certificate of Title No. T-66,680, along Rajah Soliman Street, Zamboanga City, and peacefully surrender possession thereof to the plaintiff;
2. Ordering defendant to pay plaintiff rentals at P8,000.00 a month for the whole year of 1987, and P10,000.00 a month starting January 1, 1988 to December 1989 and P15,000.00 a month from January 1990 up to the date the defendant shall have vacated the above-mentioned premises.
3. Ordering defendant to pay the costs of the suit.

SO ORDERED.^[3]

Aggrieved, petitioner appealed to the Court of Appeals which affirmed the decision of the trial court. Hence, the instant petition on grounds that: (1) the Court of Appeals erred in holding that a landlord-tenant relationship existed between the parties; (2) the Court of Appeals erred in ruling that because of the nature of the action, neither the appellate court nor the trial court could decide the issue of ownership that petitioner raised; and (3) the Court of Appeals erred in not rendering judgment on the counterclaim of petitioner for the reconveyance of several parcels of land under TCT Nos. T-63,733, T-63,734, T-68,755, and T-66,680.

The petition is bereft of merit.

Petitioner questions the findings of the Court of Appeals that a landlord-tenant relationship existed between the parties, alleging, *inter alia*, that the amount of