

THIRD DIVISION

[G.R. No. 116854, November 19, 1996]

**AIDA G. DIZON, PETITIONER, VS. COURT OF APPEALS AND
ELIZABETH SANTIAGO, RESPONDENTS.**

RESOLUTION

FRANCISCO, J.:

This is an ejectment suit.

On October 23, 1990, petitioner Aida Dizon mortgaged her house and lot^[1] to Monte de Piedad Bank. Unable to pay her obligation to the bank, the latter foreclosed the said property. Later, upon inquiry, Dizon was told by the bank that she can repurchase her property. She then asked private respondent Elizabeth Santiago to repurchase said property. The latter agreed. On May 28, 1987, Elizabeth paid the bank P550,000.00.^[2] The next day, Dizon signed a Deed of Absolute Sale (Exh. B) over the said property in favor of Elizabeth and the latter's brother and sisters (hereinafter Santiagos). On the same day, another agreement (Exh. C) was signed between the same parties whereby Dizon was given by the Santiagos an "option to buy back" the said property within 3 months from signing of Exh. C. The latter agreement likewise provides:

"2. That in the event that the SECOND PARTY [Dizon] will not be able to buy back said Lot 3-B-1 within the period agreed upon, she shall vacate the premises occupied by her, and turn over possession thereof to the FIRST PARTY, [Santiagos] including the lessees of the building."^[3]

Meanwhile, Dizon's Transfer Certificate of Title (TCT) was cancelled and a new one was issued in favor of the Santiagos. During the pendency of the 3-month period, Dizon was allowed to stay in the premises of the property. However, the option period lapse without Dizon exercising her option to buy back. The Santiagos, thereafter, asked her to vacate but Dizon refused. Thus, the former sued the latter before the Metropolitan Trial Court (MTC) for ejectment and to pay rentals beginning September 1, 1987. In her answer, Dizon contends that she cannot be compelled to vacate because she owns the property and that the deed of sale was actually an equitable mortgage.

After trial, the MTC among others, ordered Dizon and all persons claiming rights under her^[4] to vacate the property and to deliver the possession thereof to the Santiagos.

On appeal, the RTC set aside the MTC ruling. Surprisingly, it also ordered the cancellation of the TCT of the Santiago's and reinstated Dizon's TCT. Santiago filed a petition for review with the CA, arguing that the RTC cannot cancel their title, because ownership is not an issue to be definitely ruled upon in an ejectment suit.

The CA originally dismissed the petition and affirmed the RTC ruling, but on motion for reconsideration it reinstated the MTC ruling and set aside the judgment of the RTC. Hence, this petition.

The issue posed herein is whether or not the court can, in an ejectment case, order the cancellation of a TCT and definitely rule on the issue of ownership.

This is not a novel issue. Well-settled is the rule that in an ejectment suit, the only issue is possession de facto or physical or material possession^[5] and not possession *de jure*.^[6] So that, even if the question of ownership is raised in the pleadings, as in this case, the court may pass upon such issue but only to determine the question of possession^[7] especially if the former is inseparably linked with the latter.^[8] It cannot dispose with finality the issue of ownership - such issue being inutile in an ejectment suit except to throw light on the question of possession.^[9] This is why the issue of ownership or title is generally immaterial and foreign to an ejectment suit.^[10]

Detainer, being a mere quieting process, questions raised on real property are incidentally discussed.^[11] In fact, any evidence of ownership is expressly banned by Sec. 4 of Rule 70^[12] except to resolve the question of possession.^[13] Thus, all that the court may do, is to make an initial determination of who is the owner of the property so that it can resolve who is entitled to its possession absent other evidence to resolve the latter. But such determination of ownership is not clothed with finality. Neither will it affect ownership of the property nor constitute a binding and conclusive adjudication on the merits with respect to the issue of ownership.^[14] It cannot bar a later action to settle ownership.^[15] Consequently, although it was proper for the RTC, on appeal in this ejectment suit, to delve on the issue of ownership and received evidence on possession *de jure*,^[16] it cannot adjudicate with semblance of finality the ownership of the property to either party by ordering the cancellation of the TCT of the Santiagos and reinstate that of Dizon's.

Having resolved the preliminary issue, we now come to the question of possession. The disputed property in this case is covered by a TCT issued in the name of the Santiagos. Such certificate of title is a conclusive evidence of their ownership.^[17] It does not even matter if their title is questionable,^[18] because this is only an ejectment suit. As owners, the Santiagos are entitled to possession of the property from the time Dizon failed to exercise the option within the given period. The latter's possession ceased to be legal from that moment.

Moreover, under the second contract (Exh. C), Dizon agreed to vacate and turn over the possession of the property to the Santiagos if she is unable to buy back within the agreed period. Considering that Dizon failed to comply with that condition, her possession became illegal and therefore may be ousted therefrom. It is not material to determine whether Exh. B (Deed of Absolute Sale) is an equitable mortgage because Dizon's right to possession is subject to the stipulations of the other contract (Exh. C).

ACCORDINGLY, the instant petition for review is **DENIED** for lack of merit. The amended resolution of the Court of Appeals promulgated on August 24, 1994 is