

SPECIAL SIXTEENTH DIVISION

[CA-G.R. SP. No. 135276, March 30, 2015]

**JOCELYN N. BAUTISTA, PETITIONER, VS. MANOTOK REALTY,
INC., RESPONDENT.BR>
D E C I S I O N**

BRUSELAS, JR. J.:

Petitioner Jocelyn Bautista filed a petition for review^[1] under Rule 42 of the Rules of Court, to overturn the–

(a) Decision,^[2] the dispositive of which, reads –

“WHEREFORE, judgment is hereby rendered dismissing the instant appeal for lack of merit. Accordingly, the assailed decision of the Metropolitan Trial Court of Manila, Branch 19, dated April 24, 2013 is affirmed in toto. Without Costs.

SO ORDERED.”

and –

(b) Order^[3] which denied her motion for reconsideration of the assailed Decision.

The petition for review arose from a complaint^[4] for unlawful detainer filed by respondent Manotok Realty, Inc. (MRI) against Lourdes Bautista and all persons claiming rights under her before the Metropolitan Trial Court (MeTC) of Manila.

MRI alleged that it is the administrator of a parcel of land known as Lot 1, Block 3 situated at 716 Avellana St. (formerly Juan Luna) Tondo, Manila, portion of Lot 2-C and duly covered by Transfer Certificate of Title (TCT) No. 172592,^[5] particularly described as follows:

“A parcel of land, known as Lot 1, Block 3 situated at 716 Avellana St. (formerly Juan Luna) Tondo Manila, bounded on the:

N- Avellana Street

S- Lot 2

E- Lot 3

W- Maliklik Street

containing an area of One hundred five square meters more or less.”

The said parcel of land was leased by MRI to Lourdes Bautista under the terms and conditions set forth in a Contract of Lease,^[6] which was for a period of one year commencing on 1 January 2009 and expiring on 31 December 2009 and with a monthly rental fee of Four thousand four hundred forty-four and 75/100 (P4,444.75). The contract expired on 31 December 2009 and was not renewed

thereafter and after its expiration, Lourdes Bautista and all those persons claiming rights under her continued occupying the said parcel of land and incurred the following:

Compensation for use and occupancy:

1. P4,667.00 monthly from 1 January 2010 to 31 December 2010	--- P56,004.00
2. P4,900.35 monthly from 1 January 2011 to 31 August 2011	---- P39,202.80
Plus Interest	---- P17,865.40
Total amount due as of 31 August 2011	---- P113,072.20

MRI sent a demand letter^[7] dated 1 September 2011 to Lourdes Bautista to pay the above-mentioned amount and to vacate the subject parcel of land within fifteen days from receipt thereof. Notwithstanding the receipt of the same on 4 October 2011, Lourdes Bautista still deliberately failed and refused to pay and vacate. By reason of the unjustified refusal of Lourdes Bautista to pay and vacate, MRI was constrained to file an action for unlawful detainer and engage the services of counsel with an agreed acceptance fee of P10,000.00.

On 20 July 2012, Jocelyn Bautista (Bautista) filed an Answer,^[8] stating among others, that she was the occupant of the subject property and one of the children of Lourdes Bautista who passed away on 22 April 2010. The MeTC admitted the Answer and allowed the substitution of Jocelyn Bautista for the deceased Lourdes Bautista. Bautista argued that MRI was not the owner of the subject property nor did it have any authority to lease the same, considering that the alleged lease contract was executed on 23 February 2009, while the Management Contract,^[9] purportedly giving the latter the authority to lease, was executed only on 21 April 2009.

Bautista also argued that MRI's Management Contract was dubious in nature as it lacked the signatures of several members of the Manotok family and was not clear as to whether the subject property was included among the properties to be administered by MRI.

Bautista averred that her family had occupied the subject property for more than 60 years, improved the same and paid real estate taxes thereon, thereby giving rise to a presumption of ownership. In line with this argument, Bautista claimed that there was an ongoing case for fraudulent representation, intimidation, annulment of lease contract and quieting of title before the RTC of Manila where MRI was one of the defendants and that the said case would determine the real owner of the subject property.

Finally, Bautista contended that the identity of the subject property had not been established.

On 10 September 2012, the MeTC rendered its Decision^[10] that ordered Bautista to vacate the subject property and to pay MRI One hundred thirteen thousand seventy-two and 20/100 Pesos (P113,072.20) as back rentals from 1 January 2012 to 31 August 2011, and thereafter the sum of Four thousand nine hundred and 35/100 Pesos (P4,900.35) as reasonable compensation for her continued use and occupation of the subject property from 1 September 2011 until she finally vacated the same, and Ten thousand Pesos (P10,000.00) as attorney's fees. According to the MeTC, as between TCT No. 172592 presented by MRI and the various statements of account and official receipts evidencing real estate tax payments presented by Bautista, the former should prevail. Tax declarations and tax receipts cannot prevail over a certificate of title which is an incontrovertible proof of ownership. With more reason, in the present case, when the tax receipts presented by Bautista pertained only to the real estate taxes paid on the improvements on the subject property and not on the land itself. Having duly established that the Manotok family, as represented by MRI, was the registered owner of the parcel of land covered by TCT No. 172592, the MeTC ruled that it was the Manotok family, through their administrator, MRI, that had the right to possess the same.

The MeTC further ruled that while indeed the Management Contract between MRI and the Manotok family was executed on 21 April 2009 and the Lease Contract between MRI and Bautista was executed earlier on 23 February 2009, it was, however, apparent from Section 1 of the Management Contract that the parties intended the same to have a retroactive effect when they specified an earlier commencement date of 16 November 2008, which thereby ratified the acts done by MRI in representation of the Manotok family prior to its execution.

The MeTC likewise found no irregularity in the Management Contract which lacked the signature of several members of the Manotok family, it appearing that a majority of 16 out of 24 signatories affixed their signatures.

As for Bautista's challenge to the identity of the subject property, the MeTC held that the Management Contract was clear in that the parcel of land covered by TCT No. 172592 was included among the properties to be administered by MRI. MRI's description of the 105 square-meter subject property forming part of TCT No. 172592 was likewise clear in its allegations in paragraph 3 of its Complaint, in its Contract of Lease with Bautista, as well as in its demand letter dated 1 September 2011.

As to Bautista's claim that there was an ongoing case for fraudulent representation, intimidation, annulment of lease contract and quieting of title before the RTC of Manila where MRI was one of the defendants, the MeTC noted that the rule was well-settled that actions for annulment of deeds and quieting of title would not abate ejectment proceedings.

Having disposed of the foregoing preliminary issues, the MeTC then proceeded to tackle the merits of MRI's complaint for unlawful detainer. According to the MeTC, evidence on record showed that Bautista's predecessor-in interest Lourdes Bautista, entered into a Contract of Lease for a period of one year, commencing on 1 January 2009. The lease expired on 31 December 2009 and was not renewed. Lourdes Bautista's successors-in-interest, however, continued enjoying the subject property without objection from MRI. MRI's inaction, thus, gave rise to an implied new lease

or *tacita reconduccion* under Article 1670^[11] of the Civil Code. Since the rent under the original Contract of Lease was payable on monthly basis, the period of the implied new lease was considered to be from month-to-month in accordance with Article 1687^[12] of the New Civil Code. Since a demand to pay and vacate was served on Bautista on 6 October 2011, at the end of that month, MRI and Bautista's lease was deemed to have expired; and when Bautista opted to stay after the expiration of the lease, she became an unlawful occupant of the subject property.

Bautista appealed the MeTC decision to the RTC. Bautista argued that MRI has no authority to lease any land to Lourdes Bautista; and that the identity of the property in the lease contract, as well as in the TCT, did not prove that it was the same as the residential address of Lourdes Bautista.

On 8 January 2014, the RTC promulgated the assailed decision which affirmed *in toto* the MeTC decision. According to the RTC, MRI and Lourdes Bautista had entered into a contract of lease on the subject property and such fact was admitted by Bautista in paragraph 10 of her Answer, albeit she interposed that Lourdes Bautista was weak at the time due to her breast cancer. Also, during the pre-trial, Bautista acknowledged that indeed the property that she was leasing from MRI was part of the latter's title. The RTC held that such admissions were binding on her, the same being judicial in nature, which required no further proof. The RTC likewise noted that Bautista failed to submit any evidence to support her assertion that no such admission was ever made or that the same was made through palpable mistake. The RTC held that as a lessee, Bautista was not allowed to deny the title of Manotok. The RTC further ruled that, assuming that no such admission was made, Bautista's defense that she was very weak at the time the contract of lease was executed cannot be appreciated not only because it is not one of the grounds to nullify a contract but more importantly, no evidence was presented to buttress the same.

Anent the defense raised by Bautista that MRI had not properly identified and established in its complaint the lot being leased to Bautista, the RTC found the same untenable because the subject property was clearly identified in the contract of lease.

Bautista moved to reconsider the RTC decision but her motion was denied in an Order^[13] dated 3 April 2014.

In coming to the Court via the instant petition for review, Bautista raised the following issues-

- "1. WHETHER OR NOT PETITIONER-DEFENDANT ADMITTED THE ALLEGED LEASE CONTRACT IN HER ANSWER AND STIPULATIONS.
2. WHETHER OR NOT RESPONDENT-PLAINTIFF HAS THE AUTHORITY TO LEASE ANY LAND TO THE PETITIONER-DEFENDANT.
3. WHETHER OR NOT THE PROPERTY OCCUPIED BY PETITIONER-DEFENDANT AND THE PROPERTY ALLEGEDLY LEASED BY RESPONDENT-PLAINTIFF AS WELL AS THE ONE COVERED BY TITLE PRESENTED BY THE LATTER ARE ONE AND THE SAME."