

SPECIAL SIXTEENTH DIVISION

[CA-G.R. SP No. 131706, March 17, 2015]

**NOMER GAA DEL MUNDO, PETITIONER, VS. THE COUNTRY BANK
RURAL BANK OF BONGABONG (ORIENTAL MINDORO), INC.,
RESPONDENT.**

DECISION

BUESER, J.:

Before this Court is a Petition for Review^[1] under Rule 43 of the Rules of Court, filed by Nomer Gaa del Mundo ("petitioner"), seeking to annul and set aside the Decision^[2] dated March 8, 2012, of the Regional Trial Court, Branch 14, Nasugbu, Batangas ("trial court") and its Resolution dated July 19, 2013.

The Facts

On September 4, 2001, spouses Nicasio and Zenaida Villajin ("spouses Villajin") obtained a loan from The Country Bank Rural Bank of Bongabong (Oriental Mindoro) Inc. ("respondent bank") in the amount of One Million Eight Hundred Sixty Thousand Pesos (P1,860,000.00). Consequently, as way of payment, a contract denominated as Dacion in Payment with Right to Repurchase was duly signed and executed by the said spouses in favor of respondent bank. It covered a parcel of land with Transfer Certificate of Title No. T-74414 registered under the name of spouses Villajin.

Thereafter, spouses Villajin failed to repurchase the subject property within the specified period and respondent bank consolidated its title over the same. TCT No. T-74414 was cancelled and TCT No. T-96508 was issued in the name of respondent bank. At the time of registration and transfer of title, spouses Villajin and petitioner were occupying the subject property. With permission from the new owner, respondent bank, they were allowed to continue their stay.

On January 14, 2008, respondent bank sent a letter to spouses Villajin and petitioner and ordered them to vacate the subject property within thirty (30) days from receipt of the letter. The demand was not heeded and respondent bank was constrained to file the present complaint.

The petitioner contended that the Municipal Trial Court ("MTC") does not have jurisdiction over the complaint because – (1) respondent bank did not give possession of the subject property to him hence, the former cannot claim that his occupation is by its mere tolerance; and (2) respondent bank does not have possession of the subject property and therefore the consolidation of title under its name is null and void.

The Lower Courts' Decisions

After due proceedings, the MTC rendered its decision on January 4, 2010, in favor of respondent bank. It held -

“Section 1, Rule 70 of the 1997 Rules of Civil Procedure states that:

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The above-mentioned section authorized the institution of an action for unlawful detainer when “possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession by virtue of any contract, express or implied.”

In unlawful detainer, plaintiff need not have been in prior physical possession of the subject premises.

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xxx Such possession became unlawful after Country Bank, the new owner of the land, terminated his right to hold possession by its letter of demand to vacate dated January 14, 2008.”

Aggrieved, petitioner appealed.

On March 8, 2012, the trial court rendered its assailed Decision and affirmed the decision of the MTC. The trial court ruled that prior physical possession of the subject property is not required in a complaint for unlawful detainer.

Petitioner's subsequent motion for reconsideration was denied in the trial court's Resolution dated July 19, 2013, the dispositive portion reads -

“Wherefore, the motion for reconsideration is hereby denied in the same token that the motion to send this case to the Court Annex Mediator is likewise denied. Upon finality of this resolution, let a writ of execution be issued unless restrained by the Honorable Court of Appeals of the Highest Magistrate of the Land.”

Undaunted, petitioner is before Us.

Issue

The primordial issue to be decided is whether or not the MTC has jurisdiction over the complaint for unlawful detainer.

This Court's Decision

Petitioner argues that respondent bank's title cannot be the basis of its claim of possession. Petitioner was already in possession of the subject property when the title was consolidated under respondent bank's name. Since possession was not physically delivered to respondent bank, the latter did not become the owner of the subject property despite the registration. Furthermore, the MTC has no jurisdiction over the complaint for unlawful detainer because the jurisdictional facts for unlawful