



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION,

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **February 3, 2021** which reads as follows:*

“GR. No. 204720 – (ROSALIE ESTRELLA, *petitioner* v. JENNIFER LINSON PONCIANO, *respondent*). – Assailed in this petition for review¹ is the Decision² dated July 24, 2012 and the Resolution³ dated November 20, 2012 of the Court of Appeals (CA) in CA-GR. SP. No. 116559, which set aside the Decision of the Regional Trial Court (RTC), Branch 265, Pasig City, in SCA No. 3434-PSG, which dismissed Rosalie A. Estrella’s (*petitioner*) Complaint for Unlawful Detainer against Jennifer L. Ponciano (*respondent*).

Facts

On February 8, 2006, petitioner, as lessor, entered into a contract of lease with respondent, as lessee, over a residential house and lot located at Marietta Romeo Village, Sta. Lucia, Pasig City, on an agreed monthly lease rental of ₱10,000.00. The property is covered by Transfer Certificate of Title (TCT) No. PT. No. 103328 of the Register of Deeds of Pasig City. Petitioner claimed that respondent was informed that the property was the subject of an earlier real estate mortgage transaction and a pending action for the nullification of the real estate mortgage, auction sale, and foreclosure proceedings before Branch 161 of the RTC, Pasig City. According to petitioner, beginning July 2006, respondent

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¹ *Rollo*; pp. 8-19.

² *Id.* at 21-32; penned by Associate Justice Jose C. Reyes, Jr. (now a retired Member of this Court), with Associate Justices Mario V. Lopez (now a member of this Court) and Socorro B. Inting, concurring.

³ *Id.* at 34.

defaulted on her rental obligations. Despite repeated verbal demands, respondent failed to pay her rent. Petitioner brought the matter to the barangay, but all efforts to reconcile the parties proved futile. Thereafter, a "*Katibayan Upang Makadulog sa Hukuman*" was issued by the barangay. Petitioner sent a written notice of demand to respondent but the latter still refused to pay. Having no other recourse, petitioner filed an action for unlawful detainer with damages against respondent before the Metropolitan Trial Court (MeTC) of Pasig City.⁴

On the other hand, respondent declared that petitioner was the former owner of the leased premises, which is now owned by and registered in the name of Marjorie B. Cadimas since February 1, 2001. Respondent also stated that she, as lessee, and Marjorie B. Cadimas, as lessor, had executed a Contract of Lease dated August 11, 2006. She asserted that the document attached as "*Annex A*" in petitioner's complaint is falsified and spurious, and not a certified true copy of TCT NO. PT-103323, because as early as February 1, 2002, petitioner was no longer the owner of the property. She further alleged that she had been tricked and misled into signing the Contract of Lease with petitioner because the latter misrepresented herself as the real owner of the property. She also averred that there is nothing in the complaint that would show that petitioner is in prior possession of the property. Finally, respondent argued that there being a new Contract of Lease with Marjorie B. Cadimas, there is no longer a lessor-lessee relationship between her and petitioner, and hence, the case should be dismissed.⁵

On June 15, 2009, the MeTC issued judgment in favor of petitioner, thus:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered in favor of the plaintiff and against the defendant in the manner following:

1) Ordering the defendant and all persons claiming rights and interest under her to vacate the subject premises and to surrender peaceful possession thereof to the plaintiff;

2) Ordering the defendant to pay plaintiff as follows:

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⁴ Id. at 9-10.

⁵ Id. at 23.

2.1. The amount of TEN THOUSAND PESOS (Php 10,000.00) PER MONTH starting July 2006 until the defendant shall have vacated and surrendered possession thereof to plaintiff as and by way of reasonable compensation for the use thereof.

2.2. Php35,000.00 by way of attorney's fees, plus Php2,000.00 appearance fee for every hearing; and

2.3. The costs of suit and expenses of litigation.

Finally, the counterclaim of the defendant is hereby DISMISSED for lack of merit.

SO ORDERED.⁶

On August 10, 2010, the RTC affirmed the Decision of the MeTC as follows:

WHEREFORE, premises considered, the judgment rendered by the court a quo is hereby affirmed en toto. Let this case be remanded back to the Metropolitan Trial Court for proper execution.

SO ORDERED.⁷

Undeterred, respondent filed a petition for review with the CA.

On July 24, 2012, the CA promulgated a decision, granting respondent's petition, the dispositive portion of which reads:

WHEREFORE, the Petition for Review is GRANTED and the questioned Decision dated August 10, 2010 of the Regional Trial Court of Pasig City, Branch 265, in SCA No. 3434-PSG is SET ASIDE. Accordingly, respondent's Complaint for Unlawful Detainer is DISMISSED.

SO ORDERED.⁸

Petitioner filed a motion for reconsideration. In a Resolution dated November 28, 2012, the CA denied the motion.

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⁶ Id. at 24.

⁷ Id. at 11.

⁸ Id. at 32.

Hence, this petition.

The main issue is whether or not the CA erred in setting aside the RTC Decision and, consequently, dismissing the complaint for unlawful detainer.

In praying for the reversal of the CA Decision, petitioner asserts that she was still the owner of the property even though there was a judgment granting the foreclosure in favor of the mortgagee, Marjorie Cadimas, because of a pending case for the Nullification or Setting Aside of the Foreclosure Proceedings before the RTC, Branch 161, Pasig City, docketed as Civil Case No. 67124. Petitioner further argues that respondent is estopped from disputing her ownership of the property.

We do not agree.

Indeed, findings of fact made by a trial court are accorded the highest degree of respect by an appellate tribunal and, absent a clear disregard of the evidence before it that can otherwise affect the results of the case, those findings should not simply be ignored. Absent any clear showing of abuse, arbitrariness, or capriciousness committed on the part of the lower court, its findings of facts are binding and conclusive upon the Court.⁹ Moreover, in ejectment cases, the judgment of the RTC against the defendant-appellant is immediately executory,¹⁰ and is not stayed by an appeal taken therefrom, **unless** otherwise ordered by the RTC, or in the appellate court's discretion, suspended or modified,¹¹ or supervening events occur which have brought about a material change in the situation of the parties and would make the execution inequitable.¹²

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⁹ *Uyboco v. People*, 749 Phil. 987, 992 (2014).

¹⁰ RULES OF COURT, Rule 70, Section 21 provides:

Section 21. Immediate execution on appeal to Court of Appeals or Supreme Court. — The judgment of the Regional Trial Court against the defendant shall be immediately executory, without prejudice to a further appeal that may be taken therefrom.

¹¹ See *Air Transportation Office v. Court of Appeals, et al.*, 737 Phil. 61, 77 (2014).

¹² See *Antonio v. Judge Geronimo*, 512 Phil. 711, 718-719 (2005).

In the present case, petitioner's title to the property had been transferred and conveyed to another person, a fact which has been ignored and overlooked by the trial courts. This supervening event brought about a material change in the situation of the parties, which made the execution of the action for unlawful detainer inequitable and not justified by the prevailing circumstances. As pointed out by the CA, on February 3, 2010, the RTC, Branch 161, Pasig City, in Civil Case No. 67124, dismissed petitioner's Annulment of Foreclosure and awarded the ownership and legal possession of the property in favor of the mortgagee, Marjorie Cadimas. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the Ex-Parte Petition for Issuance of Writ of Possession without bond is hereby GRANTED.

Accordingly, let a Writ of Possession be issued directing the Branch Sheriff to place Marjorie Cadimas in possession of the subject property covered by TCT No. PT-117196 of the registry of Deeds for the City of Pasig.

The complaint in Civil Case No. 678124 is DISMISSED for lack of merit. The counterclaim is likewise dismissed.

SO ORDERED.¹³

In view of the supervening event, a material change in the situation of the parties now existed and the CA had to re-evaluate who had a better right over the property in dispute. It must be remembered that the only question the courts must resolve in an unlawful detainer case is who between the parties is entitled to the physical or material possession of the property in dispute.¹⁴ The court however, may proceed and resolve the issue of ownership but only for the purpose of determining the issue of possession in cases where the question of ownership is raised in the pleadings and the question of possession

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¹³ *Rollo*, pp. 29-30.

¹⁴ *Estanislao, et al. v. Sps. Gudito*, 706 Phil. 330, 335-336 (2013), citing *Pajuyo v. Court of Appeals*, 474 Phil. 557, 579 (2004).

cannot be resolved without deciding the issue of ownership.¹⁵

After examining the records, the CA found that respondent was able to establish that the ownership of the property belongs to Marjorie Cadimas. It explained that this material change in the situation of the parties; petitioner's title as the lessor having been conveyed to another, and the silence of the new owner to step into the shoes of the former lessor to evict respondent, brought about by the execution of a new contract of lease between respondent and the new owner, clearly shows that petitioner, being no longer the owner of the subject property, does not have a better right of possession as against respondent. With petitioner's title having been judicially transferred or conveyed to another person, her right to the immediate possession of the disputed property becomes questionable, as there is no longer any basis for her to possess, either legally nor physically, the said property.

Petitioner's contention that respondent is estopped from disputing her title is untenable in view of the event that supervened, that the subject property is no longer owned by the petitioner, but by Marjorie Cadimas. The Court held that the rule on estoppel against tenants is subject to a qualification. It does not apply if the landlord's title has expired, or has been conveyed to another, or has been defeated by a title paramount, subsequent to the commencement of lessor-lessee relationship [VII Francisco, *The Revised Rules of Court in the Philippines* 87 (1973)]. In other words, if there was a change in the nature of the title of the landlord during the subsistence of the lease, then the presumption does not apply.¹⁶

Finally, petitioner's contention that she is entitled to indemnity of damages is without merit. Petitioner, not being the titleholder, does not have a better right of possession over the property as against respondent, who derives her right of possession from Marjorie Cadimas, the new owner of the subject property. Having been established that petitioner is no longer the owner of the property, she is therefore not entitled to any damages, particularly, the rentals of the leased premises.

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¹⁵ See *Sps. Dela Cruz v. Sps. Capco*, 729 Phil. 624, 637 (2014).

¹⁶ *Santos v. National Statistics Office*, 662 Phil. 708, 722 (2011), citing *Borre v. Court of Appeals*, 242 Phil. 345, 352 (1988).

In fine, the CA did not commit a reversible error in dismissing petitioner's complaint for unlawful detainer.

WHEREFORE, the petition is **DENIED** for lack of merit. Accordingly, the Decision dated July 24, 2012 and the Resolution dated November 20, 2012, rendered by the Court of Appeals in CA-G.R. SP No. 116559, are hereby **AFFIRMED**.

SO ORDERED."

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court^{plg}

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