



Republic of the Philippines
Supreme Court
Manila

WILSON P. VELASCO, JR.
Division Clerk
JUN 14 2016

THIRD DIVISION

**TAN SIOK¹ KUAN and
PUTE CHING,**
Petitioners,

G.R. No. 175085

Present:

-versus-

VELASCO, JR., J.,
Chairperson,
PERALTA,
PEREZ,
REYES, and
JARDELEZA,* JJ.

**FELICISIMO "BOY" HO,
RODOLFO C. RETURTA,²
VICENTE M. SALAS, and
LOLITA MALONZO,**
Respondents.

Promulgated:

June 1, 2016

X ----- X

DECISION

PEREZ, J.:

Before the Court is a Petition for Review on *Certiorari*³ assailing the Decision⁴ dated June 29, 2006 and the Resolution⁵ dated October 17, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 92107, which rulings reversed the Consolidated Decision⁶ dated May 6, 2005 of the Regional Trial Court (RTC) in Civil Case Nos. Q-04-53505 to Q-04-53511 and the Joint Decision⁷ dated July 8, 2004 of the Metropolitan Trial Court (MeTC)

* On Wellness Leave.

¹ Sometimes spelled as "Siu."

² Sometimes spelled as "Retorta."

³ *Rollo*, pp. 2-12.

⁴ Id. at 86-97; penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Godardo A. Jacinto and Rosalinda Asuncion-Vicente.

⁵ Id. at 105-108; penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Josefina Guevara-Salonga and Rosalinda Asuncion-Vicente.

⁶ Id. at 46-53; penned by Judge Fatima Gonzales-Asdala.

⁷ Id. at 35-44; penned by Presiding Judge Fernando T. Sagun, Jr.

in Civil Case Nos. 30272 to 30278 and, in effect, dismissed for lack of merit the complaints for unlawful detainer filed by herein petitioners.

Antecedent Facts

The case at bar stems from seven (7) separate complaints for unlawful detainer filed by petitioners Tan Siu Kuan and Pute Ching against defendants Avelino Bombita (Bombita), Felix Gagarin (Gagarin), Bernardo Napolitano (Napolitano), Felicisimo “Boy” Ho (Ho), Rodolfo Returta (Returta), Vicente Salas (Salas), and Lolita Malonzo (Malonzo).

In their Complaints,⁸ petitioners averred that they are the owners of a parcel of land, along with the improvements therein, located at Apollo Street, San Francisco del Monte, Quezon City, and covered by Transfer Certificate of Title (TCT) Nos. 279014 and 279015; that they have been leasing portions of said property to the defendants since 1972; and that on February 7, 2003 they notified defendants in writing of their failure to pay rentals, as follows:

- defendant AVELINO BOMBITA that his rentals from March 1997 to the present have not been paid in the total sum of Php17,500.00 as of December, 2002;
- defendant FELIX GAGARIN that his rentals from September 1997 to the present have not been paid in the total sum of Php16,000.00 as of December, 2002;
- defendant FELICISIMO “BOY” HO that his rentals from December 1996 to the present have not been paid in the total sum of Php28,700.00 as of December, 2002;
- defendant LOLITA MALONZO that her rentals from January, 1997 to the present have not been paid in the total sum of Php21,600.00 as of December, 2002;
- defendant BERNARDO NAPOLITANO that his rentals from September, 1997 to the present have not been paid in the total sum of Php16,000.00 as of December, 2002;
- defendant RODOLFO RETURTA that his rentals from July, 1996 to the present have [not] been [paid in] the total sum of Php23,700.00 as of December, 2002; and
- defendant VICENTE SALAS [that] his rentals from August, 1997 to the [present have] not been paid in the total sum of Php22,750.00 as of December, 2002.⁹

Defendants were given ten (10) days to pay the rentals due or else to vacate the premises and turn over the possession thereof to petitioners, but

⁸ Id. at 13-20.

⁹ Id. at 35-44; MeTC Joint Decision.

defendants allegedly ignored petitioners' demand, warranting the filing of the complaints for unlawful detainer.¹⁰

For their part, Bombita, Gagarin, and Napolitano (defendants) argued that the lease agreements they have executed with petitioners are void *ab initio*, petitioners being Chinese nationals who are not entitled to own real property in the Philippines. Moreover, they claimed to have been in possession of the subject premises since 1968 or some 35 years ago, thus plaintiff's action cannot be one for ejectment or unlawful detainer, but *accion publiciana* which must be filed before the RTC.¹¹

On the other hand, Ho, Returta, Salas, and Malonzo, herein respondents, maintained that they have been in possession of the subject premises for 37 years without any rentals being paid to any landlord or his agents, and that there are no existing lease contracts between respondents and petitioners. In fact, in separate letters to petitioners, in response to the latter's demand letters, respondents categorically denied renting the subject premises.¹² Respondents also asserted that they have started possessing said property in 1966 by building residential houses, and that they have been in continuous possession since then. Additionally, respondents claimed that petitioners presented only photocopies of the subject TCTs and that when they presented such to the Register of Deeds of Quezon City for verification as to how such were transferred from the mother titles TCT Nos. 12505 and 12506, said office informed them that there is no single transaction recorded in the aforesaid mother titles.¹³ Lastly, respondents argued that even assuming that petitioners' titles are authentic, their cause of action should have been *accion publiciana* considering that respondents are in possession and that no lease contract exists between the parties.

After trial, the MeTC-Branch 40, Quezon City ruled in favor of petitioners. As regards defendants, the MeTC held that they impliedly admitted the existence of lease contracts between them and petitioners and, as such, they cannot deny the consequent lessor-lessee relationship

¹⁰ Supra note 8.

¹¹ Supra note 9 at 32.

¹² CA rollo, pp. 61, 62, and 64; the letters identically state:

Buong galang po naming ipinabatid sa inyo na ang nasabing demand letter ay maari pong nagkamali ng [pinagpadalhan] sapagkat kami po ay hindi umuupa sa aming bahay na tinitirahan [sapagkat] kami po o ang mga magulang namin ang nagtirik ng mga nabanggit na bahay at wala po kaming nakilalang may-ari na naningil ng paupa sa amin.

Alalaong baga, ang [nabanggit] ninyong mga kliyente ninyong sina Tan Siok Kuan at Pute Ching ay ni minsan sa loob ng mahigit na tatlung taon naming paninirahan sa mga nabanggit na address ay hindi man lamang namin nakausap o nakatanggap ng anumang pabatid o pagpapakilala upang pagbayaran ng anumang uri ng upa o bayad

¹³ Id. at 4; per verification letter dated April 17, 1997 of Mr. Samuel Cleofe, Register of Deeds of Quezon City; as alleged in the Petition for Review before the Court of Appeals.

following the rule that a tenant is not permitted to deny the title of his landlord. As regards respondents, on the other hand, the MeTC ruled that since petitioners were able to show that the property in question was registered under their name, and since respondents merely denied the existence of a lessor-lessee relationship between them and petitioners, petitioners' averments must prevail following the tenet that in weighing contradictory declarations and statements, greater weight must generally be given to positive testimony.

Thus, the MeTC disposed of the case in this manner:¹⁴

WHEREFORE, premises considered, judgment is hereby rendered in favor of the herein plaintiffs TAN SIU KUAN & PUTE CHING as against all the above named defendants over that certain property located at Apollo Street, San Francisco del Monte, Quezon City covered by TRANSFER CERTIFICATE OF TITLE NOS. 270014 and 279015, both of the Registry of Deeds for Quezon City, as follows:

IN CIVIL CASE NO. 30272:

- a. ordering the defendant AVELINO BOMBITA and any and all persons claiming rights under him [to] vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiff the sum of Php250.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said [defendant to] pay unto plaintiff the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

IN CIVIL CASE NO. 30273:

- [a] ordering the defendant FELIX GAGARIN and any and all persons claiming rights under him to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiff the sum of Php250.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said defendant to pay unto plaintiff the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

IN CIVIL CASE NO. 30274:

- a. ordering the defendant FELICISIMO "[BOY]" HO and any and all persons [claiming] rights under him to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;

¹⁴ *Rollo*, pp. 41-43.

- b. ordering said defendant to pay unto plaintiff the sum of Php350.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said defendant to pay unto plaintiff the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

IN CIVIL CASE NO. 30275:

- a. ordering the defendant LOLITA MALONZO and any and all persons claiming rights under her to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiffs the sum of Php300.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said defendant to pay unto plaintiffs the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

IN CIVIL CASE NO. 30276:

- a. ordering the defendant BERNARDO NAPOLITANO and any [and all] persons claiming rights under him to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiffs the sum of Php250.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said defendant to pay unto plaintiffs the sum of Php10,000.00 pesos as and by way of attorney's fee[s], plus costs of suit.

IN CIVIL CASE NO, 30277:

- a. ordering the defendant RODOLFO RETURTA and any and all persons claiming rights under him to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiffs the sum of Php300.00 per month starting from February 7, 2003 until they have completely vacated the premises;
- c. ordering said defendant to pay unto plaintiffs the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

-and-

IN CIVIL CASE NO. 30278:

- [a] ordering the defendant VICENTE SALAS and any and all persons claiming rights under him to vacate the premises in question, and to peacefully surrender and turn over the possession of the same unto plaintiffs;
- b. ordering said defendant to pay unto plaintiffs the sum of Php350.00 per month starting from February 7, 2003 until they have completely vacated the premises; and



- c. ordering said defendant to pay unto plaintiffs the sum of Php10,000.00 pesos as and by way of attorney's fees, plus costs of suit.

SO ORDERED.

Upon appeal, the RTC-Branch 87, Quezon City affirmed the MeTC. According to the RTC, the "defendant's common defense is that the complaint states no cause of action against them on the grounds that plaintiffs are [C]hinese nationals, hence, not entitled to own real properties in the Philippines; occupancy since 1968, hence, the action should have been *accion publiciana*; and absence of lessor/lessee relationship."¹⁵ Said court then went on to address these issues, as follows: "Relative to the first three assigned errors, the Court finds that the matters have been thoroughly and judiciously passed upon by the court *a quo* in arriving at the subject decision, hence, this Court finds no compelling reason to disturb the same."¹⁶

Thus, the RTC ruled:¹⁷

In sum, the Court finds no reversible error in the decision of the court *a quo* and hereby affirms the same *en toto*.

Costs against the defendant.

SO ORDERED.

On motion, the RTC issued a Writ of Execution dated January 16, 2006.¹⁸ On February 24, 2006, the subject premises were turned over to petitioners.¹⁹

In the meantime, on November 18, 2005, respondents timely filed their appeal before the CA, questioning the jurisdiction of the MeTC over the consolidated cases, the finding of a lessor-lessee relationship between petitioners and respondents in violation of the principle of *res inter alios acta*, and the non-dismissal of the case despite the failure of petitioners and their counsel to attend the pre-trial conference.²⁰

¹⁵ Id. at 47-48; RTC Consolidated Decision.

¹⁶ Id. at 51.

¹⁷ Id. at 53.

¹⁸ RTC records, Vol. 7 pp. 341-346.

¹⁹ Id. at 349-350; Certification dated February 24, 2006 of Deputy Sheriff Marcelino E. Cabigao.

²⁰ CA *rollo*, pp. 7-8; Petition for Review on *Certiorari*.

Petitioners, on the other hand, averred that the assailed decision has already become final and executory for failure to file the Joint Motion for Reconsideration of the RTC Decision within the prescribed period and, in fact, a writ of execution has already been issued. Alternatively, they argued that since respondents refused to pay their rentals from 1997 to present, and since non-payment of rent is a valid ground for ejectment, then the lower courts were correct in ruling in their favor.²¹

After evaluating the merits of the case, the CA reversed the RTC. Although the CA upheld the jurisdiction of the MeTC, saying that the allegations in the complaints make a case for unlawful detainer and that the complaints were filed within one year from respondents' receipt of the demand letters, it nevertheless agreed with respondents that petitioners have materially failed to prove their right to eject respondents on the strength of being lessors. Moreover, the CA sustained respondents' invocation of the principle of *res inter alios acta*.

Thus, the CA held:²²

WHEREFORE, the *Consolidated Decision* dated May 6, 2005 of the Regional Trial Court, Branch 87, Quezon City is hereby **REVERSED** and **SET ASIDE**. In its stead, a **new one is entered** dismissing the actions for unlawful detainer for lack of merit.

SO ORDERED.²³ (Citation omitted.)

The Present Petition

Petitioners filed the present petition for review on *certiorari*, raising the following issues:

- I. THE CONSOLIDATED DECISION DATED 6 MAY 2005 OF THE REGIONAL TRIAL COURT OF QUEZON CITY BRANCH 87 IN CIVIL CASE NOS. 04-53507, 53508, 04-53510 and 04-53511, WHICH AFFIRMED IN TOTO THE EARLIER JOINT DECISION DATED 8 JULY 2004 OF THE METROPOLITAN TRIAL COURT, QUEZON CITY IN CIVIL CASE NOS. 30272 TO 30278 HAD BECOME FINAL AND EXECUTORY FOR FAILURE OF RESPONDENTS TO FILE

²¹ Id. at 71; Comment.

²² *Rollo*, pp. 96-97.

²³ There appears to be a mix-up in the RTC records. In the Order dated January 5, 2012 (RTC records, Vol. 7, pp. 434-435), the RTC stated that there was already an Entry of Judgment in this case by the CA of the Decision dated June 29, 2006. A review of the CA records shows, however, that there is as yet no entry of judgment in the said case and that petitioners timely filed the present petition on November 6, 2006, having received the notice of denial of the motion for reconsideration on October 23, 2006.

THEIR JOINT MOTION FOR RECONSIDERATION WITHIN THE REGLEMENTARY PERIOD OF FIFTEEN (15) DAYS FROM RECEIPT OF THE DECISION.²⁴

- II. THE TENANCY RELATIONSHIP BETWEEN PETITIONERS AND RESPONDENTS WAS PROPERLY ESTABLISHED.²⁵

The Ruling of the Court

Petitioners' arguments do not persuade.

Anent the first issue of whether the Joint Motion for Reconsideration of the RTC Decision was timely filed, a close review of the records yields the finding that it was.

Indeed, as capitalized on by petitioners, respondents stated in their Joint Motion for Reconsideration that they received the Decision dated May 6, 2005 on May 15, 2005, and that they filed the Joint Motion for Reconsideration only on June 29, 2005.²⁶ However, as explained by respondents, the statement that they received the RTC Decision on May 15, 2005 was inadvertent and erroneous.²⁷ The records, particularly the certified true copies of the registry return slips from the RTC,²⁸ show that the RTC Decision was simultaneously mailed by the RTC to the parties only on June 7, 2005. Thus, as correctly maintained by respondents, they could not have received the RTC Decision on May 15, 2005 or before the said decision was mailed to them. Respondents then clarified that they received the RTC Decision on June 15, 2005.²⁹ As such, the filing of the Joint Motion for Reconsideration on June 29, 2005 was timely and the RTC Decision was not yet final and executory.

As to the second issue of whether a lessor-lessee relationship between the parties was properly established, the evidence on record generates a negative conclusion.

Except for petitioners' bare claims, they have not shown any evidence of a lease between them and respondents, be it express or implied. As keenly observed by the CA, there was no mention of how and when the alleged contract of lease started, there was no proof of prior payment of

²⁴ *Rollo*, p. 5.

²⁵ *Id.* at 7.

²⁶ *Supra* note 18 at 230.

²⁷ *CA rollo*, p. 123; *Opposition*.

²⁸ *Supra* note 18 at 215-A.

²⁹ *Rollo*, p. 111.



rentals or any prior demand for such payment considering petitioners' allegation that respondents failed to pay rentals since 1997 and that the case was instituted only in 2003.

Moreover, there is merit in respondents' invocation of the principle of *res inter alios acta* or that principle which states that "the right of a party cannot be prejudiced by an act, declaration or omission of another, except as hereinafter provided, among which are: (1) admission by third party, (2) admission by co-partner or agent, (3) admission by conspirator, and (4) admission by privies."³⁰

In the case of *Tamargo v. Awingan*,³¹ the Court expounded on the rationale behind the principle of *res inter alios acta*. Citing *People v. vda. De Ramos*, the Court held that:

(O)n a principle of good faith and mutual convenience, a man's own acts are binding upon himself, and are evidence against him. So are his conduct and declarations. Yet it would not only be rightly inconvenient, but also manifestly unjust, that a man should be bound by the acts of mere unauthorized strangers; and if a party ought not to be bound by the acts of strangers, neither ought their acts or conduct be used as evidence against him.

In the present case, petitioners failed to establish that the defendants'³² alleged implied admission of a lessor-lessee relationship falls under the exceptions to the principle of *res inter alios acta* as to make such admission binding upon respondents. Although defendants and respondents were all defendants in the complaints for unlawful detainer filed by petitioners, it is very clear that defendants and respondents espoused different defenses. Contrary to defendants' position, respondents, as early as the filing of their response to petitioners' demand letter, firmly and consistently denied the existence of any lease contract between them and petitioners over the subject land.


WHEREFORE, finding no reversible error in the assailed rulings, the Court resolves to **DENY** the present petition. Accordingly, the Decision dated June 29, 2006 and the Resolution dated October 17, 2006 of the Court of Appeals are hereby **AFFIRMED** and the complaints for unlawful detainer filed by petitioners Tan Siu Kuan and Pute Ching against respondents Felicisimo "Boy" Ho, Rodolfo Returta, Vicente Salas, and Lolita Malonzo are **DISMISSED**.

³⁰ RULES OF COURT, Rule 130, Secs. 28-31.


³¹ 624 Phil. 312, 327 (2010).

³² Defendants below, other than the respondents herein.

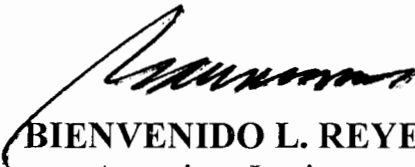
SO ORDERED.


JOSE PORTUGAL PEREZ
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

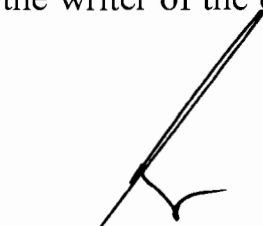

DIOSDADO M. PERALTA
Associate Justice


BIENVENIDO L. REYES
Associate Justice

(Wellness Leave)
FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

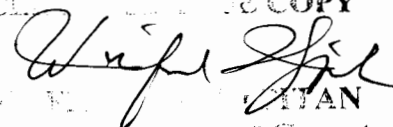

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice

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CLERK OF COURT
JUN 14 2016

