



Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

PASTOR JOSE SY, JESUS THE
 SON OF GOD CHRISTIAN
 MINISTRY, and ALL OTHER
 PERSONS ACTING ON THEIR
 BEHALF,

Petitioners,

-versus-

SPOUSES FRANKLIN A.
 ANTONIO and ESMERALDA S.
 ANTONIO,

Respondents.

G.R. No. 230120

Present:

LEONEN, J., *Chairperson*,
 HERNANDO,
 INTING,
 ROSARIO,* and
 LOPEZ, J., JJ.

Promulgated:

July 5, 2021

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DECISION

LOPEZ, J., J.:

In an action for unlawful detainer, the only question for the courts to resolve is who is entitled to the physical possession of the property. As a rule, the claim of ownership is immaterial. When any of the parties, however, raise the issue of ownership, the courts may pass upon the same, but only for the purpose of determining who has the right to possess the property. The determination of the courts in that regard is only provisional, and will not in any way prevent the parties from bringing an action to conclusively determine the issue of ownership.

This Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assails the Decision² dated November 18, 2016 and the Resolution³ dated

* Designated as Additional Member per Special Order No. 2833 dated June 29, 2021.

¹ *Rollo*, pp. 9-38.

² Penned by Associate Justice Jane Aurora C. Lantion, with Associate Justices Fernanda Lampas Peralta (Chairperson) and Nina G. Antonio-Valenzuela concurring; *id.* at 46-54.

³ *Id.* at 56-57.

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February 22, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 135470, affirming the Decision⁴ dated August 5, 2013 and the Resolution⁵ dated April 25, 2014 of the Regional Trial Court, Branch 20, Malolos City, Bulacan (RTC), which in turn affirmed the Decision⁶ dated January 24, 2013 of the Municipal Trial Court in Cities, Branch 1, City of San Jose del Monte, Bulacan (MTCC), granting the complaint for unlawful detainer filed by respondents spouses Franklin and Esmeralda Antonio (respondents) against petitioners Pastor Jose Sy, Jesus the Son of God Christian Ministry, and all other persons acting on their behalf (petitioners).

The Facts

The present case stems from a Complaint⁷ for unlawful detainer filed by respondents against petitioners to recover possession of a parcel of land known as Block 4, Lot 31, Area H, located in San Rafael I, City of San Jose del Monte, Bulacan, consisting of three hundred fifty-five (355) square meters (subject lot).

Respondents claimed that they are the owners of the subject lot which they have been occupying since 1983. According to them, their ownership stems from their application as a beneficiary of the *Sapang Palay* Resettlement Project of the National Housing Authority (NHA) in 1984. In 1989, they were informed by the NHA that they are qualified beneficiaries of the housing project.⁸

Meanwhile, in 1990, respondent Esmeralda Antonio became a member of the Jesus the Son of God Christian Ministry (JSGCM). In 1992, respondents granted the request of petitioner Pastor Jose Sy and others to hold church activities of JSGCM on the subject lot. On April 27, 2000, respondents were officially informed by the NHA that their application to become a beneficiary of its housing project had been approved. Thus, respondents and NHA executed the Contract to Sell covering the subject lot.⁹

Despite the approval of the NHA of their application, respondents were persuaded by petitioners to allow JSGCM to build a church on the subject lot. Respondents' assent was subject to the condition that the subject lot will be vacated when respondents or any of their children have need of it.¹⁰

Eventually, respondents were expelled from the congregation. They nevertheless allowed petitioners to continue occupying the subject lot. In April

⁴ Penned by Presiding Judge Mirasol O. Dychingco; *id.* at 242-254.

⁵ *Id.* at 300-301.

⁶ Penned by Assisting Judge Aileen Liza M. David; *id.* at 172-184.

⁷ *Rollo*, pp. 59-66.

⁸ *Id.* unnumbered page after p. 46.

⁹ *Id.*

¹⁰ *Id.*

2012, respondent Esmeralda Antonio informed petitioner Pastor Jose Sy that her children and their families already need the subject lot. Petitioner Pastor Jose Sy, however, refused to vacate the subject lot, stating that petitioners had already become the owners thereof. Respondents filed a complaint with the local barangay authorities against petitioners, but to no avail. Respondents then sent demand letters to petitioners to vacate the subject lot.¹¹

For their part, petitioners argued that respondents donated and sold the subject lot to them.¹² In support of their position, they submitted the following documents: (1) *Kasunduan*¹³ dated January 5, 1992, where respondent Esmeralda Antonio purportedly expressed her and her husband's intention to donate the subject lot to petitioners; (2) Deed of Donation¹⁴ dated January 6, 1992 (Deed of Donation) executed by respondent Franklin Antonio assigning his rights, interest, and obligations over the subject lot to petitioner Pastor Jose Sy; (3) Letter¹⁵ dated January 15, 1992, written by respondent Franklin Antonio addressed to petitioner Pastor Jose Sy, where the former affirmed his willingness to donate the subject lot to JSGCM; and (4) Deed of Absolute Sale¹⁶ executed some time in 1997 where respondents sold the subject lot to petitioners in consideration of the amount of ₱30,000.00.

Petitioners also averred that beginning April 27, 2000, when the NHA officially awarded the subject lot to respondents, they assumed the obligation to pay the monthly installments to the NHA. Thus, from 2000 until December 14, 2010, petitioners paid the monthly installments. They only stopped paying in 2011 because of the dispute over the subject lot with respondents.¹⁷

The MTCC's Ruling

On January 24, 2013, the MTCC rendered its Decision¹⁸ granting the complaint for unlawful detainer. It held that as the ones authorized by the NHA to occupy and possess the subject lot, respondents were entitled to its possession. Their possession must be sustained over that of petitioners' whose claim of possession was based on the Deed of Donation dated January 6, 1992 and the Deed of Absolute Sale submitted by petitioners, both of which, however, are void.

The MTCC found the Deed of Donation void for the following reasons: (1) lack of acceptance by petitioners in the same deed or in a separate instrument, in violation of Article 749 of the Civil Code; (2) it comprehends a

¹¹ *Id.* at 47.

¹² *Id.*

¹³ *Id.* at 123.

¹⁴ *Id.* at 124.

¹⁵ *Id.* at 125-126.

¹⁶ *Id.* at 127.

¹⁷ *Id.* at 48.

¹⁸ *Id.* at 172-184.

future property which cannot be a subject of donation under Article 751 of the Civil Code, considering that at the time of its execution, respondents were not yet the owners of the subject lot; and (3) its execution was attended by irregularities, since it appears to have been notarized on January 6, 1992, or before the Letter dated January 15, 1992 from respondent Franklin Antonio, where he stated that he had not yet signed the deed of donation. As for the Deed of Absolute Sale, the MTCC ruled that in an absolute sale, title to the property passes to the vendee upon delivery of the thing sold. In the present case, respondents were merely beneficiaries of the NHA at the time of the execution of the Deed of Absolute Sale and not yet the owners of the subject lot. As such, respondents had nothing to deliver to petitioners. Moreover, the disposition of the subject lot was void under Republic Act No. 7279 (RA 7279), which prohibits the alienation or transfer of a lot under the housing program of the government.¹⁹

The MTCC also ruled that petitioners are not entitled to the reimbursement of the structure built on the subject lot considering that they were builders in bad faith—they constructed on the subject lot knowing that NHA is the owner. The MTCC, however, did not grant respondents' claim for back rentals, holding that the monthly amortizations paid by petitioners to NHA from 2010 to 2011 should be considered as reasonable payment for their use and occupancy of the property. Finally, the MTCC awarded attorney's fees in the amount of ₱20,000.00 on the ground that respondents were compelled to litigate their rights.²⁰

The dispositive portion of the MTCC decision states:

WHEREFORE, all the foregoing considered, judgment is hereby rendered, ordering defendants:

- a. to vacate the subject property and to surrender possession thereof to the plaintiff-spouses;
- b. to remove the structures they constructed in the subject property; and
- c. to pay plaintiff-spouses attorney's fees in the amount of P20,000.00.

SO ORDERED.²¹

The RTC's Ruling

On appeal, the Regional Trial Court, Branch 20, Malolos City, Bulacan affirmed *in toto* the decision of the MTCC.²² It ruled that respondents have a

¹⁹ *Id.* at 179-182.

²⁰ *Id.* at 183-184.

²¹ *Id.* at 184.

²² *Id.* at 242-254.

better right of possession over petitioners. The RTC agreed with the findings of the MTCC that the Deed of Donation and the Deed of Absolute Sale are void. It also affirmed the power of the first level courts to interpret and enforce contracts in ejectment cases, albeit provisionally, and binding only with respect to possession.

After the RTC denied their motion for reconsideration,²³ petitioners filed a petition for review under Rule 42 of the Rules of Court before the CA.

The CA's Ruling

The CA affirmed the findings of the lower courts.²⁴ It held that as the approved beneficiaries of the NHA housing project, respondents have a better right of possession over and use of the subject lot. It likewise agreed with the MTCC and the RTC that the Deed of Donation and the Deed of Absolute Sale are void.

The CA denied petitioners' motion for reconsideration.²⁵ Hence, this petition.

The Present Petition

Petitioners now seek affirmative relief from the Court, repleading the arguments raised before the trial courts and the CA.

In the main, petitioners argue that respondents already waived their rights, interests, and/or claim to acquire the subject lot from the NHA by virtue of the Deed of Donation and the Deed of Absolute Sale. According to petitioners, the Deed of Donation was actually a waiver of rights, which was then novated by the subsequent execution of the Deed of Absolute Sale.²⁶

Petitioners also aver that even assuming that the Deed of Absolute Sale is void under RA 7279, the principle of *in pari delicto* under Article 1412 (2) of the Civil Code should apply. Since respondents were at fault when they sold the subject lot despite the prohibition in the law, they should be barred from recovering possession of the subject lot from petitioners.²⁷

²³ *Id.* at 300-301.

²⁴ *Id.* at 46-54.

²⁵ *Id.* at 56-57.

²⁶ *Id.* at 22-28.

²⁷ *Id.* at 34.

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In their Comment²⁸ dated July 31, 2017, respondents argue that the Deed of Donation, the Deed of Absolute Sale, and the Letter dated January 15, 1992 written by respondent Franklin Antonio were all fabricated by petitioners, and that the signatures of respondent Franklin Antonio in those documents were forged. In any case, even assuming that those documents were not fabricated, respondents argue that they are void and of no legal effect.

Petitioners filed a Reply²⁹ on August 10, 2018 stating that respondents' arguments in their Comment were not supported by evidence. They also reiterated the arguments previously raised in the petition.

The Issue

The sole issue for the Court's resolution is who, between petitioners and respondents, have the better right to the physical possession of the subject lot.

The Ruling of the Court

The petition is denied.

For a complaint for unlawful detainer to prosper, the following requisites must be established:

- a. Initially, possession of property by the defendant was by contract with or by tolerance of the plaintiff;
- b. Eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession;
- c. Thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment thereof; and
- d. Within one year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.³⁰

The CA found that all the foregoing requisites were established by respondents, thus: (1) petitioners occupied the subject lot by virtue of respondents' tolerance, in that respondents only allowed petitioners to occupy the subject lot on the condition that they will vacate it upon demand by respondents or their children; (2) respondents' tolerance of petitioners' occupation ended when respondents sent demand letters to petitioners to vacate the subject lot sometime in June 2012; (3) petitioners remained on the subject

²⁸ *Id.* at 385-402.

²⁹ *Id.* at 413-429.

³⁰ *Spouses Belinda Liu and Hsi Pin Liu v. Espinosa*, G.R. 238513, July 31, 2019.

lot despite demands to vacate; and (4) the complaint was filed on July 11, 2012 or only a month after the demand letters were sent.³¹

The CA found that respondents are the qualified beneficiaries of the NHA, who were given the right to purchase the subject lot under a contract to sell. After the approval of their application and the execution of the corresponding contract to sell with the NHA, respondents allowed petitioners to occupy the subject lot. This was subject to the condition, as the CA found, that petitioners will vacate the subject lot upon demand by respondents or their children. When petitioners refused to vacate despite demands from respondents, who already needed the property, respondents initiated the present complaint.³²

The Court finds no compelling reason to disturb the findings of the CA. It is well-settled that only questions of law may be entertained in a petition for review on *certiorari* under Rule 45 of the Rules of Court. This Court is not a trier of facts and will not re-calibrate the evidence on record. It will not entertain questions of fact as the factual findings of the appellate courts are final, binding, or conclusive on the parties and upon this Court when supported by substantial evidence.³³ While there are recognized exceptions to this rule,³⁴ the Court holds that none applies to the present case.

It bears to reiterate that settled is the rule that the only question that the courts resolve in ejectment proceedings is: who is entitled to the physical possession of the premises, that is, to the possession *de facto* and not to the possession *de jure*. It does not even matter if a party's title to the property is questionable. In an unlawful detainer case, the sole issue for resolution is the physical or material possession of the property involved, independent of any claim of ownership by any of the party litigants. Where the issue of ownership is raised by any of the parties, the courts may pass upon the same in order to determine who has the right to possess the property. The adjudication is, however, merely provisional and would not bar or prejudice an action between the same parties involving title to the property.³⁵

³¹ *Rollo*, pp. 51-53.

³² *Id.*

³³ *Pascual v. Burgos*, 776 Phil. 167, 182 (2016).

³⁴ (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record. (*Id.* At 182-183).

³⁵ *Echanes v. Spouses Hailar*, 792 Phil. 724, 732-733 (2016), citing *Barrientos v. Rapal*, 669 Phil. 438, 444 (2011).

Respondents are the qualified beneficiaries of the NHA for the subject lot. Their right to possess and occupy the property is, therefore, without question. On the other hand, petitioners rely heavily on the Deed of Donation and the Deed of Absolute Sale to maintain possession of the subject lot.

Petitioners insist that these two documents effectively transferred to them respondents' rights and interests over the subject lot, including the right to purchase it from the NHA.³⁶ On this score, the Court affirms the unanimous findings of the lower courts that both the Deed of Donation and the Deed of Absolute Sale did not operate to transfer any right over the subject lot in favor or petitioners.

The Deed of Donation³⁷ dated January 6, 1992 reads:

DEED OF DONATION

x x x x

That I, Franklin A. Antonio, of legal age, Filipino Citizen and residing of (*sic*) Blk 4 Lot 31 – Purok 1-A San Rafael Sapanag (*sic*) Palay SJDM, Bulacan, a property own (*sic*) by the National Housing Authority[,] which award was approved in my favor:

1. THAT I am the lawful owner of a certain parcel of Lot (*sic*) which is located at Blk 4 Lot 31 Purok 1-A San Rafael Sapang Palay Bulacan containing an area of 255 square meters;
2. I do hereby assign, transfer and waive my right, interest, obligation, and all improvements therein to REV. JOSE T. SY likewise of legal age, married, Filipino and with residence of (*sic*) 1139 H. Anacleto St.[,] Sta. Cruz[,] Manila;
3. THAT on this site will rise the Jesus the Son of God Christian Ministry Church;

IN WITNESS WHEREOF, we hereby affixed our signature this 6th day of January 1992, [i]n [the] City of Manila.

(Sgd.)
FRANKLIN A. ANTONIO
Donor

(Sgd.)
REV. JOSE T. SY
Donee

Petitioners insist that the Deed of Donation was actually a waiver of respondents' rights to purchase the subject lot from the NHA in favor of petitioners.³⁸ Petitioners' argument is specious. To be sure, the Deed of Donation did not mention any consideration received by respondents for the

³⁶ *Rollo*, p. 23.

³⁷ *Id.* at 124.

³⁸ *Id.* at 22.

supposed waiver of their rights, in effect making such “waiver” a donation to petitioners.³⁹

A careful reading of the Deed of Donation would show that the subject lot itself was not donated. In Paragraph 2 of the Deed of Donation, respondent Franklin Antonio states that “I do hereby assign, transfer and waive my **right, interest, obligation, and all improvements** therein to REV. JOSE T. SY x x x.” It is clear, therefore, that the actual lot was not donated in favor of petitioners, as it was only respondent Franklin Antonio’s right, interest, obligation over the lot, as well as the improvements therein, were disposed of. On this score, the Deed of Donation was defective for failure to comply with the formalities required by law for donation of improvements.

In order that a donation of an immovable property be valid, the following elements must be present: (a) the essential reduction of the patrimony of the donor; (b) the increase in the patrimony of the donee; (c) the intent to do an act of liberality or *animus donandi*; (d) the donation must be contained in a public document; and (e) that the acceptance thereof be made in the same deed or in a separate public instrument; if acceptance is made in a separate instrument, the donor must be notified thereof in an authentic form, to be noted in both instruments.⁴⁰

In the present case, notably absent in the Deed of Donation was petitioner Pastor Jose Sy’s acceptance of the donation. Neither was there evidence that his acceptance was made in a separate public instrument. For lack of acceptance as required by law, the Deed of Donation is void.⁴¹ From the foregoing, it is apparent that even assuming that the subject lot itself was donated, the Deed of Donation was still void for lack of formalities required by law.

More importantly, the Deed of Donation was executed on January 6, 1992, way before respondents had any rights or interests over the subject lot by virtue of the NHA’s approval of their application to be a beneficiary. Respondents were informed that their application was approved only on April 27, 2000. Thus, before that time, respondents had no right or interests whatsoever over the subject lot, which they could have transferred to petitioners by donation. Under Article 751 of the Civil Code, “[d]onations cannot comprehend future property. By future property is understood anything which the donor cannot dispose of at the time of the donation.” Not being the owners at the time of the execution of the Deed of Donation, respondents could not have donated the subject lot to petitioners.

³⁹ Civil Code, Art. 725. Donation is an act of liberality whereby a person disposes gratuitously of a thing or right in favor of another, who accepts it.

⁴⁰ *The Missionary Sister of Our Lady of Fatima (Peach Sisters of Laguna) vs. Alzona*, 838 Phil. 283, 293 (2018), citing Art. 749 of the Civil Code and *Heirs of Florencio v. Heirs of De Leon*, 469 Phil. 459, 474 (2000).

⁴¹ See *Sumipat v. Banga*, 480 Phil. 187, 197 (2004).

In the same vein, respondents could not have sold the subject lot to petitioners in 1997 under the Deed of Absolute Sale. Basic is the principle that no one cannot give what he does not own (*Nemo dat quod non habet*).⁴² In any case, the Deed of Absolute Sale is void under the provisions of Republic Act No. 6026,⁴³ which specifically governs the *Sapang Palay* Resettlement Project of the NHA. Section 2 of the law provides:

Sec. 2. The People's Homesite and Housing Corporation shall subdivide the unsubdivided portion of the land constituting the said resettlement projects into homelots of not less than two hundred square meters and not more than three hundred square meters each.

An area or areas that, in total, shall not exceed thirty per centum of the total area of each resettlement project shall be reserved for the disposed of as commercial and/or industrial areas to provide employment opportunities and essential services to the settlers: provided, that, resettled families in such areas shall be given priority in acquiring homelots in residential areas; and Provided, finally, that night clubs, day clubs, cocktail lounges, cockpits, motels, and other places of amusement involving gambling or dancing for hire or the sale of liquors shall in no case be established within the commercial/industrial areas of the resettlement projects.

Homelots shall be sold to bona fide occupants and/or resettled families on monthly installment basis such that the cost shall be paid within a period of thirty years. A grace period of not less than six months for payments in arrears shall be granted and no awardee shall be ejected unless he is transferred to another housing project or to his hometown with the assistance of the Department of Social Welfare. Bona fide occupants shall be understood to mean those occupying homelots in the project having been previously resettled thereon by the government at the time of the approval of this Act and those who shall subsequently be resettled thereon by the government. Hereafter, no family shall be settled unless the Department of Social Welfare finds the family to be homeless, or not an owner of any house and lot within the Greater Manila area, or occupying land not its own under unsafe or unhealthful living conditions, and with a gross income of not more than P1,800. Homelots shall not be resold, assigned, mortgaged, leased or transferred by the purchasers thereof except to the surviving legal spouse and in default or upon the death of the surviving spouse, to the legal heirs, or to the People's Homesite and Housing Corporation within a period of five years after the final payment of the purchase price. Every conveyance of land acquired under the provisions of this Act except to the People's Homesite and Housing Corporation shall be subject to repurchase by the original purchaser or the legal surviving spouse and in default or upon the death of the surviving spouse, by the legal heirs within a period of five years from the date of the conveyance and any agreement contrary to the provisions hereof shall be null and void.

Under RA 6026, homelots should be sold only to *bona fide* occupants and/or resettled families determined as such by the then People's Homesite and Housing Corporation (PHHC), now the NHA. Petitioners, however, were not shown to be *bona fide* occupants and/or resettled families as provided under the

⁴² *Anzures v. Spouses Ventanilla*, 835 Phil. 946, 960 (2018).

⁴³ *An Act Providing for the Social and Economic Uplift of Dislocated Families Relocated from the Greater Manila Area to Resettlement Projects*.

law. Moreover, RA 6026 prohibits the resale, assignment, mortgage, lease, or transfer of the homelots by the purchasers within a period of five (5) years after the final payment of the purchase price, except only to the surviving spouse or in default, the legal heirs, and the NHA. Since the Deed of Absolute Sale purports to sell the respondents' rights over the subject lot in violation of the law, it is void and of no legal effect.⁴⁴

Petitioners argue that even assuming that the Deed of Absolute sale is void, the principle of *in pari delicto* under Article 1412 (2) of the Civil Code should apply in their favor. According to them, respondents should be barred from recovering possession considering that they were at fault when they sold the subject lot to petitioners despite the prohibition in the law.⁴⁵ Article 1412 of the Civil Code states:

ART. 1412. If the act in which the unlawful or forbidden cause consists does not constitute a criminal offense, the following rules shall be observed:

- (1) When the fault is on the part of both contracting parties, neither may recover what he has given by virtue of the contract, or demand the performance of the other's undertaking;
- (2) When only one of the contracting parties is at fault, he cannot recover what he has given by reason of the contract, or ask for the fulfilment of what has been promised him. The other, who is not at fault, may demand the return of what he has given without any obligation to comply with his promise.

It has been held, however, that the *in pari delicto* argument does not apply when it will violate public policy.⁴⁶ This rule has been applied by the Court in cases⁴⁷ involving the sale of land obtained under homestead of free patent within the prohibitory period under the Public Land Act, where the issue was whether the grantee or his heirs can recover the property against a third person. In *delos Santos v. Roman Catholic Church of Midsayap*,⁴⁸ the heir of a homestead patent grantee was allowed to recover the property which was sold to a third party by the grantee within the prohibitory period. The Court discussed that the non-application of *in pari delicto* principle was based on the supposition that public policy is considered advanced by allowing the party to sue for relief against the prohibited transaction. The Court then held that the property was given to the patent grantee by law for home and cultivation, the policy on which homestead law was predicated. Allowing the heir to recover the property would thus preserve the policy of the law.

⁴⁴ Civil Code, Art. 5. Acts executed against the provisions of mandatory or prohibitory laws shall be void, except when the law itself authorizes their validity.

⁴⁵ *Rollo*, p. 34.

⁴⁶ *Maltos v. Heirs of Borrromeo*, 769 Phil. 598, 607 (2015).

⁴⁷ See *Heirs of Alido v. Campano*, G.R. No. 226065, July 29, 2019; *Fullido v. Grilli*, 781 Phil. 840 (2016); *Maltos v. Heirs of Borrromeo*, 769 Phil. 598 (2015); *delos Santos v. Roman Catholic Church of Midsayap*, 94 Phil. 405 (1954).

⁴⁸ *Supra* at 411.

The Court finds that a similar reasoning applies to this case. RA 6026 was enacted specifically for the purpose of providing homes for dislocated families relocated from the Greater Manila Area to resettlement projects. There is, therefore, a clear public policy behind the law. This public policy would be served if respondents, who were declared by the NHA as *bona fide* occupants and/or resettled families, are allowed to recover possession of the subject lot.

On the matter of back rentals, the Court agrees with the MTCC that these should not be awarded in favor respondents. The payments made by petitioners to the NHA shall serve as the reasonable compensation for their use and occupation of the property. This will prevent unjust enrichment on the part of respondents who also benefitted from petitioners' payment of the monthly installments to the NHA for a number of years.

As a final point, the Court notes that the lower courts failed to justify the award of attorney's fees in the amount of ₱20,000.00 in favor of respondents. "[I]t is a settled rule that no premium should be placed on the right to litigate and that not every winning party is entitled to an automatic grant of attorney's fees."⁴⁹ The Court, therefore, deletes the attorney's fees awarded to respondents.

It bears stressing that the herein ruling is limited only to the determination as to who between the parties has the better right of possession. It will not, in any way, bar any of the parties from filing an action with the proper court, including an action to conclusively determine the issue of ownership.

WHEREFORE, premises considered, the petition is **DENIED**. The Decision dated November 28, 2016 and the Resolution dated February 22, 2017 of the Court of Appeals in CA-G.R. SP No. 135470 are hereby **AFFIRMED WITH MODIFICATION**. Pastor Jose Sy, Jesus the Son of God Ministry, and all other persons acting on their behalf, are **ORDERED TO SURRENDER** possession of the subject lot to the spouses Franklin A. Antonio and Esmeralda S. Antonio. The award of attorney's fees is deleted. No costs.

SO ORDERED.

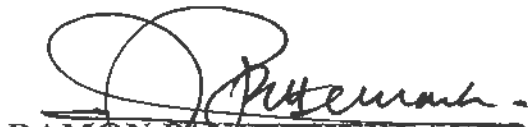

JHOSEP Y. LOPEZ
Associate Justice

⁴⁹ *Danan v. Spouses Serrano*, 792 Phil. 37, 53 (2016).

WE CONCUR:



MARVIC M.V.F. LEONEN
Associate Justice



RAMON PAUL L. HERNANDO
Associate Justice



HENRY JEAN PAUL B. INTING
Associate Justice



RICARDO R. ROSARIO
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.



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, 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.



ALEXANDER G. GISMO
Chief Justice