

SECOND DIVISION

[G.R. No. 176055, March 17, 2014]

SPOUSES EDMUNDO DELA CRUZ AND AMELIA CONCIO-DELA CRUZ, PETITIONERS, VS. SPOUSES RUFINO R. CAPCO AND MARTY^[1] C. CAPCO, RESPONDENTS.

DECISION

DEL CASTILLO, J.:

This case involves two spouses battling for the material possession of a piece of land.

Assailed in this Petition for Review on *Certiorari* is the August 18, 2006 Decision^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 90736 which (1) granted the petition for review filed therewith by respondents spouses Rufino R. Capco and Marty C. Capco (spouses Capco); (2) set aside the January 20, 2005 Decision^[3] and June 27, 2005 Omnibus Order^[4] of the Regional Trial Court (RTC) of Pasig City, Branch 153; and (3) dismissed the Complaint for Unlawful Detainer filed by petitioners spouses Edmundo Dela Cruz and Amelia Concio-Dela Cruz (spouses Dela Cruz) against the spouses Capco. Likewise questioned is the December 21, 2006 Resolution^[5] which denied the spouses Dela Cruz' Motion for Reconsideration thereto.

Factual Antecedents

On October 6, 2003, the spouses Dela Cruz filed a Complaint^[6] for Unlawful Detainer against the spouses Capco before the Metropolitan Trial Court (MeTC) of Pateros. They alleged that Teodora T. Concio (Teodora), mother of petitioner Amelia Concio-Dela Cruz (Amelia), acquired ownership over a piece of land by virtue of a Decision dated October 3, 1983 rendered by the RTC of Pasig, Branch 151 in Land Registration Case No. 9511. The said property was eventually registered in her name under Transfer Certificate of Title (TCT) No. 31873. Teodora, out of neighborliness and blood relationship, tolerated the spouses Capco's occupation thereof.

Subsequently, the subject property was conveyed to the spouses Dela Cruz. Intending to construct a house thereon and utilize the space for their *balut* and salted eggs business, the spouses Dela Cruz thus demanded that the spouses Capco vacate the property. As the spouses Capco refused, the matter was brought before the *Barangay Lupon* for conciliation wherein several meetings were held but to no avail.^[7] Hence, the said Complaint.

In their Answer, the spouses Capco pointed out that the Complaint is defective for failing to allege the exact metes and bounds of the property. Neither is a title attached thereto to show that the spouses Dela Cruz are the owners of the disputed

property. Be that as it may, the spouses Capco asserted that they have all the rights to occupy the subject property since respondent Rufino Capco (Rufino) is an heir of its true owner. In fact, they established their *balutan* business and built their house thereon as early as 1947. By way of counterclaim, the spouses Capco prayed that the spouses Dela Cruz be ordered to pay them exemplary damages, attorney's fees and litigation expenses.

The exhibits submitted by the spouses Dela Cruz, included, among others, copies of the (1) RTC Decision dated October 3, 1983 in Land Registration Case No. 9511;^[8] (2) TCT No. 31873 in the name of Teodora;^[9] and, (3) Deed of Extra-Judicial Settlement of the Estate of Teodora T. Concio wherein her heirs agreed to assign, transfer and convey the property to Amelia.^[10] For their part, the spouses Capco presented (1) two 1993 tax declarations covering their house and a camarin which both stand on a lot owned by Juan E. Cruz (Juan)^[11] and (2) several receipts evidencing their payment of real property taxes.^[12]

Ruling of the Metropolitan Trial Court

The MeTC rendered a Decision^[13] on July 9, 2004. It did not give credence to the spouses Capco's assertion that the Complaint did not properly identify the property and instead found sufficient the identification of the same through the technical description in TCT No. 31873 submitted by the spouses Dela Cruz.

Anent the conflicting claims of the parties as to their right to possess the subject property, the MeTC endeavored to ascertain the source of the parties' claimed rights, *viz*:

x x x Plaintiff Amelia Concio-dela Cruz is the daughter of the late Teodora Tulad Concio, to whom the property subject matter of the instant case and which is covered by TCT No. 31873 was registered. Prior to the issuance of TCT No. 31873 in the name of [Amelia's] mother, the subject property used to form part of one-half of a property owned by one Juan Cruz, which was previously administered by one Gregorio Reyes, the grandfather of herein defendant Rufino Capco. This property owned by Juan Cruz was later involved in a family land dispute upon his death after the son of Gregorio Reyes, Hermogenes Reyes, instituted an action to have the subject property registered in the latter's name. But [the spouses Dela Cruz'] predecessor-in-interest Teodora Tulad Concio filed her opposition to the application.

In a decision rendered by the said court, one-half of that property was adjudicated in favor of Hermogenes Reyes, and the other half was awarded to Teodora Tulad Concio x x x. The subject decision paved the way for the issuance of TCT No. 31873 in the name of Teodora Tulad Concio x x x and TCT No. 31874 in the name of Hermogenes Reyes.

Notwithstanding the decision of the Regional Trial Court in the Land Registration proceedings and the consequent issuance of TCT No. 31873 in favor of Teodora Tulad Concio, [the spouses Capco] remained in possession of the subject property by reason of the tolerance extended to

them by the Concios.

Upon the death, however, of Teodora Tulad Concio on August 31, 1993, her heirs including plaintiff Amelia T. Concio, executed a Deed of Extra-Judicial Settlement of the Estate of Teodora Concio. In that extrajudicial settlement dated May 14, 2002, all the heirs adjudicated upon themselves the property covered by TCT No. 31783 and thereafter assigned, transferred and conveyed to plaintiff Amelia T. Concio-Dela Cruz and her heirs, assigns and successors the said property.^[14]

Based on this, the MeTC rejected the spouses Capco's claimed right to possess the subject property as follows:

x x x [T]he [spouses Capco's] stay in the subject premises was originally lawful as they based it then from their right as heirs of the lawful possessor thereof, Mr. Hermogenes Reyes, who initially caused the application of title in his name of that parcel of land which included the lot now subject matter of this case. That right of the [spouses Capco], however, ceased when the Land Registration Court in that application for land title filed by Reyes ruled that only one-half of that property being applied for shall be titled in his name while the other half, which is now the subject of this complaint shall be adjudged in favor of Oppositor Teodora Concio Tulad, the [spouses Dela Cruz'] predecessor-in-interest.

Since title to the property which the [spouses Capco] are now occupying had already been legally transferred to Teodora Concio Tulad, the right of the former in occupying the same is deemed to have been anchored from the right of the latter as owner of the subject land. The court is, therefore, of the considered view that [the spouses Capco's] continued stay in the property covered by TCT No. 31783 was truly through the sheer generosity and tolerance of the registered owner Teodora Concio Tulad during her lifetime and extended only upon her death by her successor-in-interest, the [spouses Dela Cruz].^[15]

The MeTC concluded that since the spouses Capco's possession of the subject property was by mere tolerance of the spouses Dela Cruz, the latter have the better right to possess and thus may recover the same upon demand. Hence, the dispositive portion of its Decision:

VIEWED FROM THE FOREGOING, judgment is hereby rendered in favor of [the spouses Dela Cruz] and against [the spouses Capco], ordering the latter and all persons claiming rights under them to vacate the subject land being occupied by them which is covered by TCT No. 31873 located at Interior P. Herrera St., Pateros, Metro Manila, and surrender possession thereof to the plaintiffs, and to pay the following:

- a. Php500.00 a month as reasonable compensation with legal interest thereon from September 1, 2003, until the subject property is

finally vacated;

b. Php20,000.00, as and by way of attorney's fees; and,

c. Costs of suit.

SO ORDERED.^[16]

The spouses Capco appealed to the RTC.^[17]

Ruling of the Regional Trial Court

The RTC did not find merit in the spouses Capco's appeal,^[18] hence, the dispositive portion of its January 20, 2005 Decision reads:^[19]

WHEREFORE, foregoing premises duly considered, the appealed decision is affirmed in toto.

SO ORDERED.^[20]

In view of the Decision of the RTC, the spouses Dela Cruz filed a Motion to Remand and Direct Court of Origin to Issue a Writ of Execution,^[21] and later, a Motion to Withdraw Back Rentals under Judicial Custody.^[22] The spouses Capco, for their part, moved for the reconsideration of the RTC Decision.^[23] These motions were resolved by the RTC through an Omnibus Order^[24] dated June 27, 2005, viz:

WHEREFORE, in the light of the foregoing premises, for being pro forma, the motion for reconsideration is DENIED.

Further, the Motion to Remand is GRANTED and the Motion To Withdraw Back Rentals is deferred for the consideration of the court of origin.

SO ORDERED.^[25]

Undeterred, the spouses Capco filed a Petition for Review with the CA.

Ruling of the Court of Appeals

The CA found in favor of the spouses Capco in its Decision^[26] of August 18, 2006.

Citing *Go, Jr. v. Court of Appeals*^[27] and *Heirs of Demetrio Melchor v. Melchor*,^[28] it declared that a complaint for unlawful detainer must aver facts showing that the [MeTC] has jurisdiction to try the case by describing how the defendant's entry was effected or how and when dispossession started. It found the Complaint wanting in this aspect, thus:

In this case, the [spouses Dela Cruz'] complaint merely alleged that the [spouses Capco's] possession of the property was by the tolerance of their predecessors-in-interest and 'out of neighborliness and blood relationship'. The evidence presented or adduced before the [MeTC] does not show how the [spouses Capco] came into possession. x x x^[29]

Moreover, the CA observed that while the spouses Dela Cruz claimed that their property pertains to half of the land previously belonging to Juan that was later adjudicated to Teodora by virtue of the judgment in aforementioned land registration case, it is not clear whether the portion occupied by the spouses Capco lies therein or in the other half adjudicated in favor of Hermogenes Reyes. In view of this, it opined that there is a need to physically determine the exact boundaries of the land covered by TCT No. 31873 which, however, cannot be done in a mere summary proceeding in an ejectment case but rather in an *accion publiciana* or *accion reivindicatoria* before the RTC.

Hence, the CA disposed of the petition in this wise:

WHEREFORE, the instant petition is GRANTED. The decision dated January 20, 2005 and omnibus order dated June 27, 2005 of the RTC, Branch 153, Pasig City in SCA Case No. 2695, are SET ASIDE. In lieu thereof, the complaint is DISMISSED for reasons discussed therein.

SO ORDERED.^[30]

As their Motion for Reconsideration^[31] was denied in the CA Resolution^[32] of December 21, 2006, the spouses Dela Cruz are now before this Court through this Petition for Review on *Certiorari* ascribing error upon the CA in setting aside the rulings of the MeTC and the RTC.

Parties' Arguments

The spouses Dela Cruz assert that contrary to the CA's findings, they were able to describe with particularity the property subject of the case through the technical description in TCT No. 31873. Besides, the spouses Capco admitted in the Pre-Trial Conference that the property occupied by them is the same property which is the subject of the case. The CA likewise erred in not considering as settled the issue of ownership of the land per the judgment in the land registration case and in not recognizing their right to possess based thereon.

On the other hand, the spouses Capco reiterate that they are the rightful possessors of the property as Rufino is an heir of the true owner. They stress that they have been occupying the same as early as 1947, have established their home and business thereon, and introduced improvements which are even of higher value than the land itself. In contrast, the spouses Dela Cruz failed to present before the MeTC any title showing that they are the owners of the subject property. Also, their Complaint is fatally defective for failing to allege the exact metes and bounds of the property which possession they sought to recover. The spouses Capco likewise question TCT No. 31873 of Teodora by contending that the Agreement of