

SECOND DIVISION

[G.R. No. 170509, June 27, 2012]

**VIEGELY SAMELO, REPRESENTED BY ATTORNEY-IN-FACT
CRISTINA SAMELO, PETITIONER, VS. MANOTOK SERVICES, INC.,
ALLEGEDLY REPRESENTED BY PERPETUA BOCANEGRA
(DECEASED), RESPONDENT.**

DECISION

BRION, J.:

Before us is the petition for review on *certiorari*^[1] filed by Viegely Samelo (*petitioner*), represented by her attorney-in-fact Cristina Samelo, to challenge the decision dated June 21, 2005^[2] and the resolution dated November 10, 2005^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 85664.

Background Facts

Manotok Services, Inc. (*respondent*) alleged that it is the administrator of a parcel of land known as Lot 9-A, Block 2913, situated at 2882 Dagupan Extension, Tondo, Manila. On January 31, 1997, the respondent entered into a contract with the petitioner for the lease of a portion of Lot 9-A, Block 2913, described as Lot 4, Block 15 (*subject premises*). The lease contract was for a period of one (1) year, with a monthly rental of P3,960.00. After the expiration of the lease contract on December 31, 1997, the petitioner continued occupying the subject premises without paying the rent.^[4] On August 5, 1998, the respondent, thru its President Rosa Manotok, sent a letter to the petitioner demanding that she vacate the subject premises and pay compensation for its use and occupancy.^[5] The petitioner, however, refused to heed these demands.

On November 18, 1998, the respondent filed a complaint for unlawful detainer against the petitioner before the Metropolitan Trial Court (*MeTC*), Branch 3, Manila.^[6] The case was docketed as Civil Case No. 161588-CV. The respondent prayed, among others, that the petitioner and those claiming rights under her be ordered to vacate the subject premises, and to pay compensation for its use and occupancy.

In her answer, the petitioner alleged that the respondent had no right to collect rentals because the subject premises are located inside the property of the Philippine National Railways (*PNR*). She also added that the respondent had no certificate of title over the subject premises. The petitioner further claimed that her signature in the contract of lease was obtained through the respondent's misrepresentation. She likewise maintained that she is now the owner of the subject premises as she had been in possession since 1944.^[7]

The MeTC Ruling

The MeTC, in its judgment^[8] of March 28, 2002, decided in favor of the respondent, and ordered the petitioner to vacate the subject premises and to deliver their peaceful possession to the respondent. The MeTC held that the only issue to be resolved in an unlawful detainer case is physical possession or possession *de facto*, and that the respondent had established its right of possession over the subject premises. It added that the petitioner's right under the lease contract already ceased upon the expiration of the said contract. It further ruled that the petitioner is already estopped from questioning the right of the respondent over the subject premises when she entered into a contract of lease with the respondent. The dispositive portion of the MeTC judgment reads:

WHEREFORE, premises considered, judgment is hereby rendered for the plaintiff and against defendant, ordering the latter and all persons claiming rights under her:

1. To vacate the premises located at 2882 Dagupan Extension, Tondo, Manila, and deliver the peaceful possession thereof to the plaintiff[;]
2. To pay plaintiff the sum of P40,075.20 as compensation for the use and occupancy of the premises from January 1, 1998 to August 30, 1998, plus P4,554.00 a month starting September 1, 1998, until defendant and all person[s] claiming rights under her to finally vacate the premises[;]
3. To pay plaintiff the sum of P5,000.00 for and as attorney's fees; and
4. To pay the cost of suit.^[9]

The RTC Decision

The petitioner filed an appeal^[10] with the Regional Trial Court (RTC), Branch 50, Manila. The RTC, in its decision^[11] of July 1, 2004, set aside the MeTC's decision, and dismissed the complaint for unlawful detainer. The RTC held, among others, that the respondent had no right to collect rentals as it failed to show that it had authority to administer the subject premises and to enter into a contract of lease with the petitioner. It also ruled that the subject premises, which were formerly owned by the PNR, are now owned by the petitioner by virtue of her possession and stay in the premises since 1944.

The CA Decision

Aggrieved by the reversal, the respondent filed a petition for review with the CA, docketed as CA-G.R. SP No. 85664.^[12] The CA, in its decision of June 21, 2005, reversed and set aside the RTC decision, and reinstated the MeTC judgment. The CA held that the petitioner is now estopped from questioning the right of the respondent over the subject property. It explained that in an action involving the possession of the subject premises, a tenant cannot controvert the title of his landlord or assert any rights adverse to that title, without first delivering to the

landlord the premises acquired by virtue of the agreement between themselves. The appellate court added that the petitioner cannot claim that she repudiated the lease contract, in the absence of any unequivocal acts of repudiation.

The CA further held that the only issue in an ejectment suit is physical or material possession, although the trial courts may provisionally resolve the issue of ownership for the sole purpose of determining the issue of possession. It explained that the issue of ownership is not required to determine the issue of possession since the petitioner tacitly admitted that she is a lessee of the subject premises.^[13]

The petitioner moved to reconsider this decision, but the CA denied her motion in its resolution dated November 10, 2005.^[14]

In presenting her case before this Court, the petitioner argued that the CA erred in ruling that a tenant is not permitted to deny the title of his landlord. She maintained that the respondent is not the owner or administrator of the subject premises, and insisted that she had been in possession of the land in question since 1944. She further added that she repudiated the lease contract by filing a case for fraudulent misrepresentation, intimidation, annulment of lease contract, and quieting of title with injunction before another court.^[15]

The Court's Ruling

We find the petition **unmeritorious**.

Respondent has a better right of possession over the subject premises

"An action for unlawful detainer exists when a person unlawfully withholds possession of any land or building against or from a lessor, vendor, vendee or other persons, after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied."^[16] "The only issue to be resolved in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the parties involved."^[17] "Thus, when the relationship of lessor and lessee is established in an unlawful detainer case, any attempt of the parties to inject the question of ownership into the case is futile, except insofar as it might throw light on the right of possession."^[18]

In the present case, it is undisputed that the petitioner and the respondent entered into a contract of lease. We note in this regard that in her *answer with affirmative defenses and counterclaim* before the MeTC, the petitioner did not deny that she signed the lease contract (although she maintained that her signature was obtained through the respondent's misrepresentations). Under the lease contract, the petitioner obligated herself to pay a monthly rental to the respondent in the amount of P3,960.00. The lease period was for one year, commencing on January 1, 1997 and expiring on December 31, 1997. It bears emphasis that the respondent did not give the petitioner a notice to vacate upon the expiration of the lease contract in December 1997 (the notice to vacate was sent only on August 5, 1998), and the latter continued enjoying the subject premises for more than 15 days, without objection from the respondent. By the inaction of the respondent as lessor, there