

FIRST DIVISION

[G.R. No. 170575, June 08, 2011]

**SPOUSES MANUEL AND FLORENTINA DEL ROSARIO,
PETITIONERS, VS. GERRY ROXAS FOUNDATION, INC.,
RESPONDENT.**

D E C I S I O N

DEL CASTILLO, J.:

The allegations in the complaint and the reliefs prayed for are the determinants of the nature of the action^[1] and of which court has jurisdiction over the action.^[2]

This Petition for Review on *Certiorari* assails the April 26, 2005 Decision^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 87784 which dismissed the Petition for Review before it. Also assailed is the CA Resolution^[4] dated November 15, 2005 denying the Motion for Reconsideration thereto.

Factual Antecedents

The controversy between petitioners Manuel and Florentina Del Rosario and respondent Gerry Roxas Foundation Inc. emanated from a Complaint for Unlawful Detainer filed by the former against the latter, the surrounding circumstances relative thereto as summarized by the CA in its assailed Decision are as follows:

The petitioner Manuel del Rosario appears to be the registered owner of Lot 3-A of Psd-301974 located in Roxas City which is described in and covered by Transfer Certificate of Title No. T-18397 of the Registry of Deeds for the City of Roxas.

Sometime in 1991, the respondent, as a legitimate foundation, took possession and occupancy of said land by virtue of a memorandum of agreement entered into by and between it and the City of Roxas. Its possession and occupancy of said land is in the character of being lessee thereof.

In February and March 2003, the petitioners served notices upon the respondent to vacate the premises of said land. The respondent did not heed such notices because it still has the legal right to continue its possession and occupancy of said land.^[5]

On July 7, 2003, petitioners filed a Complaint^[6] for Unlawful Detainer against the

respondent before the Municipal Trial Court in Cities (MTCC) of Roxas City, docketed as Civil Case No. V-2391. Said complaint contains, among others, the following significant allegations:

3. Plaintiffs are the true, absolute and registered owner[s] of a parcel of land, situated at Dayao, Roxas City and covered by and described in Transfer Certificate of Title No. 18397 issued to the plaintiffs by the Register of Deeds for Roxas City as evidenced by a xerox copy thereof which is hereto attached as Annex "A".

4. Sometime in 1991, without the consent and authority of the plaintiffs, defendant took full control and possession of the subject property, developed the same and use[d] it for commercial purposes.

x x x x

7. Plaintiffs have allowed the defendant for several years, to make use of the land without any contractual or legal basis. Hence, defendant's possession of the subject property is only by tolerance.

8. But [plaintiffs'] patience has come to its limits. Hence, sometime in the last quarter of 2002, plaintiffs made several demands upon said defendant to settle and/or pay rentals for the use of the property.

x x x x

10. Notwithstanding receipt of the demand letters, defendant failed and refused, as it continues to fail and refuse to pay reasonable monthly rentals for the use and occupancy of the land, and to vacate the subject premises despite the lapse of the fifteen-day period specified in the said demand letters. Consequently, defendant is unlawfully withholding possession of the subject property from the plaintiffs, who are the owners thereof.^[7]

Upon service of summons, respondent filed its Answer^[8] dated July 31, 2003 where it averred that:

3. The defendant ADMITS the allegations set forth in paragraph 4 of the Complaint to the effect that the defendant "took full control and possession of the subject property, developed the same" and has been using the premises in accordance with its agreements with the City of Roxas and the purposes of the defendant corporation without any objection or opposition of any kind on the part of the plaintiffs for over twenty-two long years; the defendant specifically DENIES the allegations contained in the last part of this paragraph 4 of the Complaint that the defendant has used the property leased for commercial purposes, the truth of the matter being that the defendant has used and [is] still using the property only for civic non-profit endeavors hewing closely to purposes of the defendant Gerry Roxas Foundation Inc., *inter alia*,

devoted to general welfare, protection, and upliftment of the people of Roxas City, Capiz, and in Panay Island, and elsewhere in the Philippines; that the Foundation has spent out of its own funds for the compliance of its avowed aims and purposes, up to the present, more than P25M, and that all the improvements, including a beautiful auditorium built in the leased premises of the Foundation "shall accrue to the CITY (of Roxas), free from any compensation whatsoever, upon the expiration of this Lease" (Memorandum of Agreement, Annex "2" hereof), eighteen (18) years hence;

x x x x

5. The defendant specifically DENIES the allegations set forth in paragraph 7 of the Complaint, the truth being that the defendant took possession of the subject property by virtue of Memorandums of Agreement, photo-copies of which are hereto attached as Annexes "1" and "2" and made integral parts hereof, entered into by defendant and the City of Roxas, which is the true and lawful owner thereof; thus, the possession of the subject property by the defendant foundation is lawful, being a lessee thereof;

x x x x

8. The defendant ADMITS the allegations set forth in paragraph 10 of the Complaint that defendant refused to pay monthly rental to the plaintiffs and to vacate the premises, but specifically DENIES the rest of the allegations thereof, the truth being that defendant has no obligation whatsoever, to the plaintiffs, as they are neither the owners or lessors of the land occupied by defendant;

x x x x

As and by way of -

AFFIRMATIVE DEFENSE

The defendant repleads the foregoing allegations, and avers further that:

12. The plaintiffs have no cause of action against defendant.

The leased property does not belong to the plaintiffs. The property covered by Transfer Certificate of Title No. T-18397, [is] occupied by the [defendant] as [lessee] of the City of Roxas since 1991, the latter having acquired it by purchase from the plaintiffs way back on February 19, 1981, as evidenced by the Deed of Absolute Sale which is hereto attached as Annex "3" and made an integral part hereof. While, admittedly, the said certificate of title is still in the name of the plaintiffs, nevertheless, the ownership of the property covered therein has already transferred to the City of Roxas upon its delivery to it. Article 1496 of the Civil Code provides that, ownership of the thing sold is acquired by the vendee from the moment it is delivered to him in any of the ways specified in articles 1497 to 1501, or in any other manner signifying an

agreement that the possession is transferred from the vendor to the vendee. It is also provided under Article 1498 of the Civil Code that, when the sale is made through a public instrument, the execution thereof shall be equivalent to the delivery of the thing, which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred. Upon execution of the Deed of Absolute Sale (Annex "3"), the plaintiffs have relinquished ownership of the property subject thereof in favor of the vendee, City of Roxas. Necessarily, the possession of the property subject of the said Deed of Absolute Sale now pertains to the City of Roxas and the plaintiffs have no more right, whatsoever, to the possession of the same. It is defendant foundation by virtue of the Memorandums of Agreement (Annexes "1" and "2" hereof), which has the legal right to have possession of the subject property;^[9]

After the MTCC issued an Order setting the case for preliminary conference, respondent filed on October 20, 2003 a Motion to Resolve its Defenses on Forum Shopping and Lack of Cause of Action. Records show that before the instant case was filed, the City of Roxas had already filed a case against petitioners for "Surrender of Withheld Duplicate Certificate Under Section 107, [Presidential Decree No.] 1529" docketed as Special Case No. SPL-020-03 with the Regional Trial Court (RTC) of Roxas City. Subsequently, on October 27, 2003, petitioners filed their Opposition to the said Motion.

Ruling of the Municipal Trial Court in Cities

On November 24, 2003, the MTCC issued an Order^[10] resolving the respondent's Motion. In the said Order, the MTCC held that:

The plaintiffs [have] no cause of action against herein defendant. The defendant is the lessee of the City of Roxas of the parcel of land in question. There has been no previous contractual relationship between the plaintiffs Del Rosarios and the defendant Gerry Roxas Foundation, Inc. affecting the title of the land leased by the [Gerry] Roxas Foundation. The Gerry Roxas Foundation, Inc. has not unlawfully withheld the possession of the land it is leasing from its lessor. Its right to the physical possession of the land leased by it from the City of Roxas subsists and continues to subsist until the termination of the contract of lease according to its terms and pursuant to law.

The defendant had presented as its main defense that the property was already sold by the plaintiffs to the present lessor of the property, the City of Roxas thru a Deed of Absolute Sale dated February 19, 1981 executed by herein [plaintiff] spouses as vendors.

Plaintiffs had not directly and specifically shown that the purported Deed of Absolute Sale does not exist; rather, they contend that said document is merely defective. They had not even denied the signatories to the said Contract of Sale; specifically the authenticity of the spouses-plaintiffs signatures; all that plaintiffs did merely referred to it as null and void and highly questionable without any specifications.

When the parties' pleadings fail to tender any issue of fact, either because all the factual allegations have been admitted expressly or impliedly; as when a denial is a general denial; there is no need of conducting a trial, since there is no need of presenting evidence anymore. The case is then ripe for judicial determination, either through a judgment on the pleadings (Rules of Court, Rule 34) or by summary judgment under Rule 35, Rules of Court.

In the instant case, plaintiffs alleged that sometime in 1991, without the consent and authority of the plaintiffs, defendant took full control and possession of the subject property, developed the same and use[d] it for commercial purposes. x x x for so many years, plaintiffs patiently waited for someone to make representation to them regarding the use of the subject property, but the same never happened. Plaintiff[s] have allowed the defendant for several years, to make use of the land without any contractual or legal basis. Hence, defendant's possession of the subject property is only by tolerance.

x x x x

Defendant admits the allegations of the plaintiffs that the defendant "took full control and possession of the subject property, developed the same" and has been using the premises in accordance with its agreements with the City of Roxas and the purposes of the defendant corporation without any objection or opposition of any kind on the part of the plaintiffs for over twenty-two long years.

That the defendant's possession of the subject property is by virtue of a contract of lease entered into by the defendant foundation with the City of Roxas which is the true and lawful owner, the latter having acquired said property by virtue of a Deed of Absolute Sale as early as February 19, 1981, long before the defendant foundation's occupation of the property. In *Alcos v. IAC* 162 SCRA 823 (1988), Buyer's immediate possession and occupation of the property was deemed corroborative of the truthfulness and authenticity of the deed of sale.

WHEREFORE, although this Court finds the defense on forum shopping interposed by the defendant to be untenable and unmeritorious, and hence, denied; this Court still finds the pleadings filed by the plaintiffs-spouses to be without a cause of action and hence, dismisses this instant complaint. With cost against the plaintiffs.

SO ORDERED.^[11]

Ruling of the Regional Trial Court

On appeal, the RTC of Roxas City, Branch 17 rendered a Decision^[12] dated July 9, 2004 affirming the MTCC Order.

Ruling of the Court of Appeals