

SECOND DIVISION

[G.R. No. 178527, November 27, 2009]

**JOVEN YUKI, JR., PETITIONER, VS. WELLINGTON CO,
RESPONDENT.**

D E C I S I O N

DEL CASTILLO, J.:

The lessee-petitioner's attempt to hold on to the property subject of the instant unlawful detainer case, by resorting to fraudulent machinations such as refusing to receive the notices to vacate, must not be countenanced. His stubborn refusal to receive the notices to vacate should not prejudice the right of the lessor-respondent, to use and enjoy the fruits of his property.

This Petition for Review on *Certiorari*^[1] assails the November 23, 2008 Decision^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 89228 granting respondent's Petition for Review^[3] and setting aside the March 7, 2005 Decision^[4] of the Regional Trial Court (RTC), Branch 14, Manila. The RTC reversed and set aside the Decision^[5] dated September 21, 2004 of the Metropolitan Trial Court (MeTC), Branch 15, Manila, granting respondent's Complaint for unlawful detainer^[6] and ordering petitioner to vacate the premises subject matter of this case.

Factual Antecedents

Mr. Joseph Chua was the registered owner of a parcel of land, together with a commercial building erected thereon, situated at the corner of España and Instruccion Sts., Sampaloc, Manila. In 1981, he leased a portion of the building to petitioner Joven Yuki, Jr., who put up a business therein under the name and style "Supersale Auto Supply." The contract of lease between Mr. Chua and petitioner had a term of five years but was not reduced into writing. Thereafter, the lease was renewed through a series of verbal and written agreements,^[7] the last of which was a written Contract of Lease^[8] covering the period of January 1, 2003 to December 31, 2003 at a monthly rental of P7,000.00.

In November 2003, Mr. Chua informed petitioner that he sold the property to respondent Wellington Co and instructed petitioner to thenceforth pay the rent to the new owner.

Proceedings before the Metropolitan Trial Court

After the expiration of the lease contract, petitioner refused to vacate and surrender the leased premises. Thus, respondent filed a Complaint for unlawful detainer^[9] before the MeTC of Manila. The material allegations of the complaint read as follows:

x x x x

3. Plaintiff [herein respondent] is the registered owner of that parcel of land together with the building existing thereon situated at 2051 España St. cor. Instruccion St., Sampaloc, Manila. Plaintiff's title to said property is evidenced by the Transfer Certificate of Title No. 261682 of the Registry of Deeds of Manila, photocopy of which is attached hereto as Annex "A" and the tax declarations for the lot and improvement are attached hereto as Annexes "B" and "B-1", respectively;

x x x x

5. Prior to the sale of the lot and building by the previous owner to herein plaintiff, Joseph Chua sent a notice to defendant [herein petitioner] informing him that the property is for sale giving the defendant the opportunity to exercise his pre-emptive right. Copy of said Notice is attached hereto as Annex "D";

6. Defendant waived his right to exercise his pre-emptive right and the real property was eventually sold to herein plaintiff;

7. Plaintiff, being the new owner of the lot and building, informed defendant that his Contract of Lease with the former lessor-owner Joseph Chua will no longer be renewed as per letter dated November 3, 2003, copy of which was left at defendant's store, for his refusal to acknowledge the receipt of the same. A copy of said Notice is attached hereto and made an integral part hereof as Annex "E";

8. For failure and refusal of the defendant to vacate and surrender the leased unit to plaintiff, plaintiff's counsel in turn sent a formal demand upon defendant to vacate the leased premises within ten (10) days from receipt of the formal demand in view of the expiration of the contract of lease. Copy of said letter dated January 13, 2004 is attached hereto as Annex "F". A copy was sent by registered mail but defendant failed to claim the same as evidenced by the Certification from the Central Post Office, copy of which is attached hereto as Annex "G". Another copy of the same demand letter was personally served at defendant's address as attested by the sworn statement of Wilberto Co who served the said formal demand as well as the notice earlier sent by plaintiff. Copy of the Affidavit of Wilberto Co is attached hereto as Annex "H";

x x x x

Respondent prayed that petitioner's possession of subject premises be declared unlawful and that petitioner be ordered to vacate it. He also sought reasonable compensation for the use of the property until such time that it is surrendered to him and for the petitioner to pay him moral damages and attorney's fees.

In his Answer with Counterclaim,^[10] petitioner denied having been served with copies of the alleged notice of sale and notice to vacate. By way of affirmative defenses, he claimed that the complaint should be dismissed for being premature as there was no allegation therein of prior referral to the *barangay*. Petitioner also

asserted that since he was not notified by the former owner of the sale, he was deprived of his preemptive rights. Moreover, respondent has no cause of action against him because respondent is not the true owner of the property but merely acts as a representative of persons whom respondent refused to disclose. Further, petitioner argued that there was an implied renewal of lease considering that a) he did not receive a notice to vacate, b) the two months deposit and one month advance payment he gave to Mr. Chua were never returned to him, and c) respondent accepted his payments for the months of January and February 2004.

Petitioner also asserted that his property rights would be violated if he is evicted because he has been operating his business in the premises for more than 20 years and has established goodwill in the area. He thus proposed that he be compensated the amount of not less than P1 million or be allowed to dispose of his stocks within a reasonable period of time, before he vacates the premises.

On September 21, 2004, the MeTC-Branch 15 rendered a Decision^[11] in favor of the respondent, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendant ordering the defendant and all persons claiming right under him:

1. to VACATE and surrender the subject property peacefully to plaintiff;
2. to PAY the plaintiff reasonable compensation for the use and occupancy of the subject premises in the amount of eight thousand (P8,000.00) pesos per month from January 1, 2004 until such time that he and all persons claiming rights under him have fully vacated the premises;
3. to PAY the plaintiff thirty thousand (P30,000.00) pesos as attorney's fees and litigation expenses.

SO ORDERED.^[12]

Proceedings before the Regional Trial Court

In time, petitioner went on appeal to the RTC contending that -

- A. THE LOWER COURT ERRED WHEN IT RULED THAT THE PLAINTIFF-APPELLEE [herein respondent] HAD A CAUSE OF ACTION TO EVICT HEREIN DEFENDANT-APPELLANT [herein petitioner] FROM THE PREMISES.
- B. THE LOWER COURT ERRED WHEN IT RULED THAT THERE WAS NO IMPLIED NEW LEASE CREATED BY PLAINTIFF-APPELLEE'S ACCEPTANCE OF THE RENTALS MADE BY DEFENDANT-APPELLANT.
- C. THE LOWER COURT ERRED WHEN IT RULED THAT VALID NOTICE [TO] VACATE WAS SERVED UPON DEFENDANT-APPELLANT BY THE

PLAINTIFF-APPELLEE.

D. THE LOWER COURT GRAVELY ERRED WHEN IT RULED THAT DEFENDANT-APPELLANT WAS NOT DENIED HIS PREEMPTIVE RIGHT TO PURCHASE THE PROPERTY HE HAS BEEN OCCUPYING.

E. THE LOWER COURT GRAVELY ERRED WHEN IT DENIED THE MOTION FOR CLARIFICATORY HEARING FILED BY DEFENDANT-APPELLANT AS WELL AS HAVING DENIED THE MOTION FOR VOLUNTARY INHIBITION.

F. THE LOWER COURT ERRED WHEN IT AWARDED ATTORNEY'S FEES AMOUNTING TO THIRTY THOUSAND (P30,000.00) IN FAVOR OF PLAINTIFF-APPELLEE.

On March 7, 2005, the RTC-Branch 14 rendered a Decision^[13] with the following disposition:

WHEREFORE, all premises considered, the Court finds and so holds preponderance of evidence on the part of the defendant-appellant. Accordingly, the Decision appealed from is hereby REVERSED, and the complaint for Unlawful Detainer is dismissed.

Finally, there is on record a defendant-appellant's Motion for Reconsideration as regards the amount of the supersedeas bond. By the dismissal of the case, the resolution thereof is thereby rendered moot and academic.

SO ORDERED.^[14]

In reversing the ruling of the MeTC, the RTC found no proof on record that petitioner actually received the notice to vacate, thereby making the Complaint fatally defective. The RTC likewise opined that the resolution of the case hinges on the existence of implied new lease, a question which is incapable of pecuniary estimation and, therefore, beyond the MeTC's jurisdiction.

Proceedings before the Court of Appeals

Respondent filed with the CA a Petition for Review^[15] under Rule 42 of the Rules of Court assailing the RTC Decision. On November 23, 2006, the CA promulgated the now assailed Decision^[16] granting the petition. Its *fallo* reads:

WHEREFORE, the instant petition is hereby GRANTED. The Decision dated 7 March 2005 rendered by the Regional Trial Court (RTC) of Manila, Branch 14 is SET ASIDE and the Decision dated 21 September 2004 of the Metropolitan Trial Court (MeTC) of Manila, Branch 15 is REINSTATED.

SO ORDERED.^[17]

Issues

Petitioner interposed the present recourse imputing upon the CA the following

errors:

- A. x x x THE COURT OF APPEALS COMMITTED GRAVE ERROR WHEN IT RULED NOT TO DISMISS THE PETITION INTERPOSED BY RESPONDENT AND INSTEAD PROCEEDED TO REVERSE THE DECISION DATED MARCH 7, 2005 OF THE REGIONAL TRIAL COURT, BRANCH 14 DESPITE RESPONDENT (THEN PETITIONER) HAVING FAILED TO COMPLY WITH THE PROCEDURAL REQUIREMENTS UNDER RULE 42 OF THE 1997 RULES OF CIVIL PROCEDURE.^[18]
- B. THE COURT OF APPEALS ERRED WHEN IT FOUND ERRORS COMMITTED BY THE RTC IN REVERSING THE DECISION OF THE MTC.^[19]

Our Ruling

The petition lacks merit.

The allegations in respondent's petition are supported by material portions of the record.

Petitioner contends that the Petition for Review^[20] filed by the respondent with the CA is procedurally infirmed and that the appellate court should have outrightly dismissed the same. Specifically, petitioner points out that while respondent attached to the petition the parties' respective position papers, he failed to attach to said position papers the annexes thereto. This, petitioner insists, warrants the dismissal of respondent's petition per Section 2, Rule 42 of the Rules of Court,^[21] in relation to Section 3^[22] of the same Rule.

We do not agree. Section 2 of Rule 42 does not require that **all** the pleadings and documents filed before the lower courts must be attached as annexes to the petition. Aside from clearly legible duplicate originals or true copies of the judgments or final orders of both lower courts, it merely requires that the petition be accompanied by copies of pleadings and other material portions of the record as would support the allegations of the petition. As to what these pleadings and material portions of the record are, the Rules grants the petitioner sufficient discretion to determine the same. This discretion is of course subject to CA's evaluation whether the supporting documents are sufficient to make out a *prima facie* case.^[23] Thus, Section 3 empowers the CA to dismiss the petition where the allegations contained therein are utterly bereft of evidentiary foundation. Since in this case the CA gave due course to respondent's Petition for Review and proceeded to decide it on the merits, it can be fairly assumed that the appellate court is satisfied that respondent has sufficiently complied with Section 2 of Rule 42.

Besides, our own examination of the CA *rollo* reveals that the annexes to the position papers can be found somewhere else in the petition. The annexes to the parties' respective position papers are the same annexes attached to the Complaint and the Answer. In fact, Annexes "A" to "H" of the Complaint respectively pertain to the same documents marked as Annexes "A" to "H" of respondent's Position Paper. And while respondent's Position Paper as attached to the petition does not contain any annexes, said annexes are nonetheless appended to the Complaint which is also