

SECOND DIVISION

[G.R. NO. 172555, July 10, 2007]

**ALEGAR CORPORATION, PETITIONER, VS. EMILIO ALVAREZ,
RESPONDENT.**

DECISION

CARPIO MORALES, J.:

The Legarda family, owner of a parcel of land designated as Lot 20, Block RP-39 located in Sampaloc, Manila, assigned its rights and interests over it on May 9, 2000, by a Deed of Assignment^[1] in favor of Alegar Corporation (petitioner), in whose name Transfer Certificate of Title No. 250317 was issued on February 14, 2001.

The Legarda family had verbally leased the property on a monthly basis to Catalina Bartolome (Catalina). Even after Catalina's death, her children Amado, Isabelita, Pacita, Ramon, and Benjamin continued to occupy the property.

Because of non-payment of rentals, petitioner, by counsel, sent a letter^[2] dated May 13, 2002 addressed to the "Heirs of Catalina Bartolome" demanding them to vacate the premises and pay their arrearages within 15 days from receipt of the letter. Based on a certification^[3] issued by the Manila Central Post Office, the letter was received via registered mail by Emilio Alvarez (respondent), a son of Catalina's son Benjamin, on May 17, 2002.

Its demands having remained unheeded, petitioner filed before the Metropolitan Trial Court of Manila (MeTC) a complaint^[4] for unlawful detainer against the "*Heirs of Catalina Bartolome, Spouses Amado and 'Jane Doe,' Bartolome, Spouses 'John Doe' and Isabelita Anquilo, Spouses 'Johanne Doe' and Pacita Landayan, Spouses Benjamin and 'Joan Doe' Bartolome-Alvarez, Ramon Alvarez, and those persons claiming rights under them.*" (Underscoring supplied). Petitioner prayed that the defendants be ordered to vacate the property and to pay P1,100 per month beginning May 2002 until they vacate the property, P25,000 attorney's fees, and the costs of suit.

The RETURN OF SERVICE OF SUMMONS accomplished by Process Server Alfonso D. Valino reads:

This is to certify that the undersigned tried to serve the Summons and copy of the complaint to the following defendants;

1. Defendant *Catalina* Bartolome, *Amado* Bartolome, and *Benjamin* Bartolome-Alvarez, all of 455 Pepin Street, Sampaloc, Manila had been served with summons on May 20, 2003, but the **said persons were all dead a year ago**, as per information given by their

tenant, Mr. Acosta who is residing at the same given address.

2. With respect to defendants Sps. John Doe and *Isabelita* Anquilo and Sps. Johanne Doe and *Pacita* Landayan, all of 455 Pepin Street, Sampaloc, Manila, summons were not served on May 20, 2003 because said persons **were no longer residing at the given address a year ago**, as per informations given by their tenant, Mr. Acosta who is residing at the same address.
3. Defendant *Ramon* Alvarez of 455 Pepin Street, Sampaloc, Manila was **served thru his tenant, Mr. Guilberto Acosta** as evidence[d] by his signature at the original summons.

The original of the Summons are hereby respectfully returned DULY SERVED.^[5] (Emphasis supplied; underscoring partly in the original, partly supplied)

The original of the summons bears the signature of one Guilberto Acosta who received it for the defendant Ramon Alvarez on May 20, 2003.

Herein respondent filed an Answer,^[6] alleging that the defendants Amado, Isabelita, Pacita and their brother Benjamin, who is his father, had died, hence, they may not be considered as parties-in-interest; that upon his father Benjamin's death, the latter's right to lease was transmitted to him and his siblings who should be considered real parties-in-interest in the case; that he and his siblings have no knowledge or information of the Deed of Assignment in favor of petitioner which was not even registered and they may not be bound by it; and that the verbal monthly lease agreement cannot be terminated upon failure to settle rental arrearages, given the length of time that the lease had been in effect, citing Article 1687 of the Civil Code.

Respondent in fact questioned the service of only one set of summons, despite the number of defendants, and even the service thereof on one Guilberto Acosta who was not authorized to receive the same.

Petitioner countered that it allowed the defendants to continue leasing on a monthly basis, but since they have not been paying rentals, the lease had been terminated; that Article 1687 cannot be invoked by the defendants since a verbal contract of lease between the owner and the lessee on a monthly basis is a lease with a definite period which expires after the last day of any given 30-day period, upon proper demand and notice by the lessor to vacate; and that while the demand letter was received only by respondent, his receipt is considered as receipt by all of them, citing Section 2, Rule 70 of the Rules of Court.

By Decision of April 26, 2004, Branch 25 of the MeTC Manila rendered judgment^[7] in favor of petitioner, it holding that the receipt by respondent of the demand letter addressed to the Heirs is deemed sufficient compliance with the jurisdictional requirement of prior demand to pay and vacate; and that the termination of the lease expressed in petitioner's May 13, 2002 letter is a ground to eject the defendants. Additionally, the trial court held that the lease had expired upon failure of respondent et al. to pay rentals.