

THIRD DIVISION

[G.R. NO. 155713, May 05, 2006]

MILAGROS G. LUMBUAN,* PETITIONER, VS. ALFREDO A. RONQUILLO, RESPONDENT.

DECISION

QUISUMBING, J.:

This petition for review on *certiorari* seeks to reverse and set aside the **Decision**^[1] dated April 12, 2002, of the Court of Appeals in CA-G.R. SP No. 52436 and its **Resolution**^[2] dated October 14, 2002, denying the petitioner's motion for reconsideration.

The salient facts, as found by the Court of Appeals,^[3] are as follows:

Petitioner Milagros G. Lumbuan is the registered owner of Lot 19-A, Block 2844 with Transfer Certificate of Title No. 193264, located in Gagalangin, Tondo, Manila. On February 20, 1995, she leased it to respondent Alfredo A. Ronquillo for a period of three years with a monthly rental of P5,000. The parties also agreed that there will be a 10% annual increase in rent for the succeeding two years, *i.e.*, 1996 and 1997,^[4] and the leased premises will be used exclusively for the respondent's fastfood business, unless any other use is given, with the petitioner's prior written consent.^[5]

While the respondent at the start operated a fastfood business, he later used the premises as residence without the petitioner's prior written consent. He also failed to pay the 10% annual increase in rent of P500/month starting 1996 and P1,000/month in 1997 to the present. Despite repeated verbal and written demands, the respondent refused to pay the arrears and vacate the leased premises.

On November 15, 1997, the petitioner referred the matter to the *Barangay* Chairman's office but the parties failed to arrive at a settlement. The *Barangay* Chairman then issued a *Certificate to File Action*.^[6]

On December 8, 1997, the petitioner filed against the respondent an action for Unlawful Detainer, docketed as Civil Case No. 157922-CV. It was raffled to the Metropolitan Trial Court (MeTC) of Manila, Branch 6. On December 15, 1997, the respondent received the summons and copy of the complaint. On December 24, 1997, he filed his Answer by mail. Before the MeTC could receive the respondent's Answer, the petitioner filed a Motion for Summary Judgment dated January 7, 1998.^[7] Acting upon this motion, the MeTC rendered a decision^[8] on January 15, 1998, ordering the respondent to vacate and surrender possession of the leased premises; to pay the petitioner the amount of P46,000 as unpaid rentals with legal interest

until fully paid; and to pay the petitioner P5,000 as attorney's fees plus cost of the suit.

The respondent then filed a Manifestation calling the attention of the MeTC to the fact that his Answer was filed on time and praying that the decision be set aside. The MeTC denied the prayer, ruling that the Manifestation was in the nature of a motion for reconsideration which is a prohibited pleading under the Rules on Summary Procedure.

Upon appeal, the case was raffled to the Regional Trial Court (RTC) of Manila, Branch 38, and docketed as Civil Case No. 98-87311. On July 8, 1998, the RTC rendered its decision^[9] setting aside the MeTC decision. The RTC directed the parties to go back to the *Lupon* Chairman or *Punong Barangay* for further proceedings and to comply strictly with the condition that should the parties fail to reach an amicable settlement, the entire records of the case will be remanded to MeTC of Manila, Branch 6, for it to decide the case anew.

The respondent sought reconsideration but the RTC denied the motion in an Order dated March 15, 1999. Thus, he sought relief from the Court of Appeals through a petition for review.^[10] On April 12, 2002, the appellate court promulgated a decision, reversing the decision of the RTC and ordering the dismissal of the ejectment case. The appellate court ruled that when a complaint is prematurely instituted, as when the mandatory mediation and conciliation in the *barangay* level had not been complied with, the court should dismiss the case and not just remand the records to the court of origin so that the parties may go through the prerequisite proceedings.

The petitioner filed a motion for reconsideration, which was denied by the appellate court. Hence, this present petition.

In the meantime, while this petition was pending before this Court, the parties went through *barangay* conciliation proceedings as directed by the RTC of Manila, Branch 38. Again, they failed to arrive at an amicable settlement prompting the RTC to issue an Order^[11] remanding the case to the MeTC of Manila, Branch 6, where the proceedings took place anew. On April 25, 2000, the MeTC rendered a second decision, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment on the merits is hereby rendered for the plaintiff as follows:

1. Ordering defendant and all persons claiming right of possession under him to voluntarily vacate the property located at Lot 19-A Block 2844, Gagalangin, Tondo, Manila and surrender possession thereof to the plaintiff;
2. Ordering defendant to pay to plaintiff the amount of P387,512.00 as actual damages in the form of unpaid rentals and its agreed increase up to January 2000 and to pay the amount of P6,500.00 a month thereafter until the same is actually vacated;
3. Ordering the defendant to pay to plaintiff the sum of P10,000.00 as and for attorney's fees plus cost of the suit.