

## FIRST DIVISION

[ G.R. NO. 154565, November 30, 2006 ]

**REMEDIOS RAMOS, PETITIONER, VS. TESSIE PABAS,  
RESPONDENT.**

### D E C I S I O N

**AUSTRIA-MARTINEZ, J.:**

This resolves the petition for review on *certiorari* seeking to set aside the Decision<sup>[1]</sup> of the Court of Appeals (CA) dated July 31, 2002.

The facts, as accurately set forth in the Decision of the Regional Trial Court (RTC) of Quezon City, Branch 93 dated December 12, 2000, are as follows:

[T]he plaintiff-appellee [herein petitioner] is an occupant of a parcel of land with some structures thereon located in Bagbag, Novaliches, Quezon City. She leased a portion of the property to the defendant-appellant [herein respondent] for a monthly fee of P400.00 beginning June 1998. Defendant-appellant at first paid the monthly rent but in January 1999, the defendant-appellant stopped paying. She found out that the plaintiff-appellee did not actually own the property, as it appeared to be government-owned. The plaintiff-appellee herself x x x admitted that the property was simply turned over to her by her father-in-law who was the caretaker of the property. In other words, plaintiff-appellee by her own account, was merely tolerated to stay in the property which she made use of by renting it out. Unable to get payment for her claimed rentals, plaintiff-appellee went to court.<sup>[2]</sup>

The Metropolitan Trial Court of Quezon City, Branch 36 (MeTC), before which Remedios Ramos (petitioner) filed her complaint for Unlawful Detainer with Damages, ruled in favor of petitioner, thus:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendant, as follows:

1. ordering the defendant and all persons claiming right under her to vacate the subject premises and to pay the rental in arrears starting January 3, 1999 and every month thereafter until the defendant and all persons claiming right under her shall have actually vacated the premises in question and surrendered possession thereof to the plaintiff;
2. ordering the defendant to pay the sum of P10,000.00 as and for attorney's fees; and,
3. ordering the defendant to pay the costs of suit.

SO ORDERED.[3]

Tessie Pabas (respondent) appealed the case to the RTC, which reversed the MeTC Decision by dismissing petitioner's complaint. The RTC held that the verbal lease agreement between the parties is null and void as its object is inalienable public land, which is beyond the commerce of man. It was further ruled that herein petitioner had no possessory right over the disputed land; hence, she cannot demand the ejectment of respondent therefrom.

Petitioner elevated the matter to the CA via a petition for review. The CA affirmed the RTC Decision, ruling that no possessory right can be recognized in favor of squatters.[4]

Aggrieved by the CA Decision, petitioner filed herein Petition for Review on *Certiorari* where it is alleged that:

I — The Honorable Court of Appeals erred by failing to consider and resolved [sic] the issues raised in the petition before it.

II — The Honorable Court of Appeals erred in considering that petitioner belongs to "squatter syndicate" as its basis in finding that petitioner violated R.A. No. 7279.

III — The Honorable Court of Appeals committed reversible error in finding that when the contract of lease between petitioner and private respondent is xxx inexistent and void from the beginning, the petitioner's legal possession of the government's expropriated land and her property (building/improvement) constructed thereon even prior to said expropriation are considered lost to and in favor of private respondent, [sic] as lessee in the said contract. [5]

The Court finds the petition meritorious.

The facts of this case are closely akin to those in *Pajuyo v. Court of Appeals*, [6] wherein the Court refused to subscribe to the reasoning that if the plaintiff is merely a squatter on the disputed land, then he does not have the right to demand the ejectment of another usurper. In *Pajuyo*, both parties were also squatters. Pajuyo bought the rights over a 250-square meter portion of public land from a person who had no title over said land, and then built a house thereon. Subsequently, Pajuyo entered into a *Kasunduan* with Guevarra wherein the former allowed the latter to occupy the house for free provided Guevarra maintains and cleans the house and upon Pajuyo's demand, Guevarra would voluntarily vacate said house. After the lapse of almost 10 years, Pajuyo demanded that Guevarra vacate the house, but the latter refused. Pajuyo then filed an ejectment case against Guevarra.

Resolving in favor of Pajuyo, the Court explained:

**The only question that the courts must resolve in ejectment proceedings is – who is entitled to the physical possession of the premises, that is, to the possession *de facto* and not to the possession *de jure*. It does not even matter if a party's title to the property is questionable, or when both parties intruded into the public**