

THIRD DIVISION

[G.R. No. 154203, July 08, 2003]

**REY CARLO A. RIVERA AND GLADYS ABAGA RIVERA,
PETITIONERS, VS. VIRGILIO RIVERA, RESPONDENT.**

DECISION

PUNO, J.:

In this petition for review under Rule 45 of the Rules of Court, petitioners assail the March 21, 2002 Decision of the Court of Appeals, in connection with an ejectment case, docketed as Civil Case No. 7529, ordering them to vacate the disputed premises and pay rentals.

The subject of the dispute is a 228-square meter lot with a two-storey duplex house located in Pasig City. The property was originally owned by spouses Remigio Rivera, Sr. and Consuelo Rivera. The spouses had eleven (11) children, two of whom were Remigio, Jr. (petitioners' father) and respondent Virgilio Rivera.

In 1974, when the spouses migrated to the United States, they asked their son Remigio, Jr. and his children (two of whom are petitioners Rey Carlo and Gladys Rivera) to occupy one unit of the duplex house without payment of rentals. In 1985, respondent, another son of the spouses, moved into the other unit of the duplex house and likewise occupied it gratuitously.

After Remigio, Sr. died in 1992, his widow Consuelo and their eleven (11) children executed an extrajudicial settlement^[1] where the children voluntarily waived their hereditary rights to four (4) real properties owned by their parents, including the lot with the duplex house, in favor of their mother Consuelo.

In 1993, Remigio, Jr. together with his three (3) sons migrated to the United States, leaving behind petitioners who continued to reside in one of the units of the duplex house. Respondent likewise migrated to the U.S.

On April 6, 1999, Consuelo sold the duplex house and lot to respondent for five hundred thousand pesos (P500,000.00).^[2] At the time of the sale, both Consuelo and respondent were residing in the same house in San Jose, California. In the Deed of Sale, Consuelo and respondent were represented by respondent's daughters Ma. Theresa R. Ferreria and Ma. Dolores A. Rivera. Title to the property was subsequently transferred in the name of respondent.

Respondent, represented by his daughter Dolores, asked petitioners to sign a lease contract over the unit of the duplex house they were occupying, covering the period from April 30, 1999 to June 30, 1999, with a monthly rental of P6,000.00.

As the petitioners refused to sign the lease contract or vacate the premises,

respondent,^[3] through his daughter Dolores, filed an unlawful detainer case (Civil Case No. 7529) against them before the Metropolitan Trial Court (MeTC) of Pasig City. In the complaint,^[4] it was alleged: that respondent is the registered owner of the duplex house; that he merely tolerated petitioners' occupancy of one of the units thereof, conditioned upon the execution of the lease contract between the parties; that petitioners initially agreed thereto as they claimed they would remain in the unit only for a few more months; and that after respondent caused the preparation of the lease contract, petitioners refused to sign it or vacate the property.

In their Answer with counterclaim,^[5] petitioners alleged that the deed of sale between Consuelo and Virgilio Rivera was fictitious. They claimed that their occupancy of the premises was not by mere tolerance as they have a right to occupy it as co-owners. Hence, they averred that they could not be compelled to pay rentals for the use of the property. Petitioners likewise raised the affirmative defense that respondent had no cause of action against them as no title was conferred to him because: the deed of sale was fictitious; the subject property was part of the conjugal property of Remigio, Sr. and Consuelo and after the former's death, all the compulsory heirs executed an extrajudicial settlement transferring all the conjugal properties to Consuelo out of love and respect for her; Consuelo and all the compulsory heirs have migrated to the States; Consuelo was living with respondent in the States; Consuelo and respondent hid from the other heirs the transfer of the subject property to respondent; the deed of sale was executed in the Philippines through a special power of attorney granted by respondent to his daughters, Ma. Theresa Rivera-Ferreria and Ma. Dolores Rivera; assuming that the sale was legitimate, Consuelo did not notify petitioners thereof, with deliberate intent and bad faith to disinherit her grandchildren, petitioners herein, in violation of their right of first refusal, having resided in the premises since birth, or for more than 20 years; the P500,000 consideration for the sale was clearly inadequate; assuming that the sale was valid, it nonetheless deprived the other compulsory heirs of their share over the subject property; and with the attendant defects in the sale of the property, no right or title was transferred to respondent.

The trial court rendered judgment in the ejectment case in favor of respondent, thus:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against defendants Rey Carlo Rivera and Gladys Rivera in the manner following:

1. Ordering the defendants and all persons claiming rights under them to immediately vacate the subject premises unlawfully withheld from the plaintiff;
2. Ordering the defendants to pay plaintiff the sum of P5,000.00 as and by way of unpaid rentals from April to September 1999, without prejudice to collecting the reasonable compensation for occupancy that may be forthcoming until defendants vacate the premises;
3. Ordering defendants to pay plaintiff the sum of P10,000.00 as and by way of attorney's fees; and