

SPECIAL TWENTIETH DIVISION

[CA-G.R. SP NO. 08392, January 26, 2015]

**QUINTIN LAGURA AND CRESCENCIA LAGURA, PETITIONERS, VS.
ABUNDIO BAGNOL, RESPONDENT.**

D E C I S I O N

QUIJANO-PADILLA, J.:

This is an appeal via Petition for Review under Rule 42 of the Rules of Court on the Decision^[1] of the Regional Trial Court (RTC), Branch 50, Loay, Bohol in Civil Case No. 0601 dated August 2, 2013 affirming *in toto* the Decision^[2] of the Municipal Circuit Trial Court of Loay-Alburquerque-Baclayon (MCTC) in Civil Case No. 550 dated June 15, 2012 ordering herein petitioners to vacate the parcel of land covered by OCT No. 41904 situated at Alegria Norte, Loay, Bohol and pay to respondent the amount of P1,000.00 per month for the reasonable use and occupation of the premises from September 7, 2011 until the premises is fully vacated.

The Antecedents

On November 11, 2011, respondent Abundio Bagnol (Abundio) filed with the MCTC an ejectment case^[3] against petitioners spouses Quintin and Crescencia Lagura, and their son Vicente Lagura (Vicente) [to be collectively referred to as the Laguras]. Abundio alleged that he is a co-owner of a parcel of land (the subject lot) situated in Alegria Norte, Loay, Bohol with an area of 5,346 square meters and covered by Original Certificate of Title (OCT) No. 41904^[4] still in the name of his predecessor-in-interest Sixto Palanas. Abundio's mother Generosa Bagnol (Generosa) acquired the property from the Heirs of Sixto Palanas pursuant to the Extradjudicial Settlement and Nominal Sale^[5] (Nominal Sale), whereby the wife and daughter of Sixto Palanas, Celestina Palanas and Anatolia Palanas, respectively, conveyed to Generosa several parcels of land, including the subject lot.

On March 31, 2003, Generosa entered into a Contract^[6] with Crescencia. In the said contract, Crescencia bound herself to facilitate the transfer of the properties subject of the Nominal Sale from the name of Sixto Palanas, the original owner, into the name of Generosa. For her part, Generosa undertook in the Contract to sign the necessary deed of sale over the subject lot in favor of Crescencia after the properties subject of the Nominal Sale would be transferred into her name.

After the execution of the Contract, the Laguras immediately took possession of the subject lot. Generosa just allowed their adverse possession expecting that Crescencia would fulfill her obligation soon.

In 2005, Generosa died intestate, thereby leaving her properties, including the subject lot, to her husband and children. Sometime in 2006, Abundio followed-up

from Crescencia if the latter already made good her obligation in the Contract to transfer the properties into his mother's name. Crescencia allegedly told him that she was still in the process of accomplishing her undertaking. Subsequently in 2007, Abundio and his co-heirs again made a follow-up with Crescencia on the matter. Crescencia told them that the transfer was already done and was ready for pick-up in Cebu City.

Sometime in April 2011, Vicente caused the fencing of the subject lot. This aggrieved Abundio as he believed that the Laguras had no right to fence the property. The same still belonged to the estate of his mother since the suspensive condition for the transfer in Crescencia's favor had not yet been complied with. The event led to a *barangay* proceeding during which the Laguras declared that they would no longer push through with the Contract as they had already spent so much for the same. The *barangay* conciliation failed and a Certification to File Action^[7] was issued. Abundio subsequently sent a letter to the Laguras demanding them to vacate the subject lot and surrender its possession to Generosa's heirs. The Laguras, however, refused to heed the demand, hence the suit.

For their part,^[8] the Laguras averred that their possession of the subejct lot was not by Generosa's mere tolerance. On the contrary, they possess the property as lot owners after Generosa and her husband Vivencio Bagnol delivered its possession to them by virtue of a consummated sale. The Laguras claimed that when the contract was entered into, the parties' intention was to sign a contract of sale. However, the execution of the document was withheld in order to guarantee that Crescencia would really facilitate the transfer of the properties covered by the Nominal Sale to Generosa. The parties agreed that the consideration for the sale would be P57,000.00. However, Crescencia paid only P5,000.00 to Generosa and withheld the rest of the amount which would be used to defray the expenses for the execution of the transfer. Generosa, however, already surrendered OCT No. 41904 to the Laguras. Unfortunately, the certificate of title was burned during the fire that engulfed Spouses Lagura's house. The loss of said title was reported to the Register of Deeds of Loay Bohol.^[9]

After the Contract was signed, Crescencia obtained the certifications required for the transfer of the properties from Sixto Palanas to Generosa; paid the capital gains, documentary stamp and estate taxes due on the transactions; and settled the realty taxes on the property.^[10] After Crescencia accomplished these things, Generosa and her husband delivered the possession of the subject lot to the Laguras and signed an unnotarized deed of sale. The Laguras then openly and continuously possessed the property. They fenced, built structures and harvested fruits thereon, and administered the same through Vicente.

When Crescencia, however submitted the requirements to the Register of Deeds to process for the transfer of registration of the lands, she was informed that she had to present all the titles mentioned in the Nominal Sale. Crescencia requested Generosa to give her the other titles but the latter could not locate these. When Generosa died, Crescencia requested Abundio and his siblings to deliver the titles to her so she could process the transfer. Crescencia also requested Abundio and his co-heirs to sign the affidavits required for the release of the clearance from the Department of Agrarian Reform (DAR). However, Abundio refused to cooperate and instead, filed the ejectment suit. Upon the parties' respective positions, the MCTC

ruled in Abundio's favor. It declared that the contract between Generosa and Crescencia was a contract to sell. Generosa, thus, retained title of ownership over the subject lot since the suspensive condition regarding the transfer of the properties had not yet been complied with. As Crescencia had not yet fulfilled her promise to transfer the properties subject of the Nominal Sale to Generosa, the latter or her heirs did not yet have the obligation to sell the subject lot to Crescencia. Crescencia, therefore, had no basis to consider the same as already sold to her. The dispositive portion of the MCTC's decision reads, *viz.*:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered directing defendants to:

1. Vacate the parcel of land covered by OCT No. 41904 situated at Alegria Norte, Loay, Bohol;
2. Pay the amount of P1,000.00 per month from September 7, 2011 until they have fully vacated the premises, for the reasonable use and occupation of the same.

SO ORDERED.^[11]

The Laguras appealed to the RTC but the latter court affirmed the MCTC's decision *in toto*. They sought reconsideration but the RTC denied their motion.^[12] Aggrieved, they brought the matter to Us for review, claiming that:

I

THE REGIONAL TRIAL COURT COMMITTED AN ERROR IN CLAIMING THAT PETITIONERS' POSSESSION OVER THE LOT WAS BY MERE TOLERANCE OF RESPONDENT;

II

THE REGIONAL TRIAL COURT COMMITTED AN ERROR IN NOT HOLDING THAT RESPONDENT IS NOT A REAL PARTY IN INTEREST TO FILE AN UNLAWFUL DETAINER SUIT AGAINST RESPONDENT;

This Court's Ruling

The petition is unimpressed with merit.

On the first error, the Laguras basically contended that their possession of the property was not by mere tolerance as no lease, whether express or implied, existed between the parties. Instead, their possession was by virtue of the actual delivery made by Generosa and her husband pursuant to a sale contract. The Laguras claimed to have a better right to possess the subject lot because, allegedly, the same was already sold and delivered to them. Generosa already gave them the certificate of title and also executed an unnotarized deed of sale in favor of Crescencia, although the documents got burned.

The contentions are devoid of merit.

The existence of a lease is not the only way by which the possession of the property