



Republic of the Philippines  
**Supreme Court**  
 Manila  
**FIRST DIVISION**

SUPREME COURT OF THE PHILIPPINES  
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**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated July 22, 2015 which reads as follows:*

**“G.R. NO. 163330 – SPS. CHIU HUA KIAT (JAMES CHIU) AND LINA NG CHIU, Petitioners, v. EDISON LLANES, Respondent.**

This case arose from an action for unlawful detainer involving a 166 square meter parcel of land and its improvements (property) located in Laoag City.<sup>1</sup> The property, originally owned by Jose Castro,<sup>2</sup> was leased on a monthly basis to Edison Llanes, respondent herein.<sup>3</sup>

Petitioners Spouses James and Lina Chiu (Chius) alleged that they had purchased the property from Castro on June 27, 1997; and that the Register of Deeds of Ilocos Norte had accordingly issued Transfer Certificate of Title (TCT) No. T-28111-Laoag City in their name on July 3, 1997.<sup>4</sup> Llanes countered, however, that in December 1984, he had entered into an agreement with Castro for the purchase of the parcel of land on installment, and had already paid for it in full by 1994;<sup>5</sup> that he had then brought in the Regional Trial Court (RTC) in Laoag City an action to annul the sale between Castro and the Chius, and to demand specific performance of the agreement from Castro. The case, docketed as Civil Case No. 11300, was raffled to Branch 12.<sup>6</sup>

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<sup>1</sup> Rollo, pp. 173-176.  
<sup>2</sup> Id. at 10-11.  
<sup>3</sup> Id. at 173.  
<sup>4</sup> Id.  
<sup>5</sup> Id. at 68.  
<sup>6</sup> Id. at 66-72; 12.

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On May 26, 1999, while Civil Case 11300 was still pending, the Chius commenced an ejectment case against Llanes in the Municipal Trial Court in Cities in Laoag City (MTCC) to recover the possession of the property and the monthly rentals (Civil Case No. 2857).<sup>7</sup> In resisting the complaint for ejectment, Llanes averred that he was the rightful owner of the parcel of land.

In its decision of December 20, 1999,<sup>8</sup> the MTCC found that there had been no perfected sale between Llanes and Castro; that based on Llanes' own allegations, he had "continued to pay more for the purchase price x x x so as to appease defendant Castro with the hope that defendant Castro may eventually be persuaded to comply with his agreement at the price originally stipulated or at such increased price and under such terms as may be reasonable" despite having given what he believed was full payment; that he had also manifested that he had been "ready and willing to pay defendant Castro a reasonable increased purchase price for the subject lot based on the prevailing market value as determined by the Assessor's Office of Laoag City or as the Honorable Court, in its sound judgment, may fix;" that such manifestation simply meant that there had been no price certain between them, and, therefore, no sale;<sup>9</sup> and that, even assuming that there was a double sale, the Chius had been the first to register their sale, and such registration had been made in good faith.<sup>10</sup> Thus, the MTCC disposed as follows:

IN VIEW OF ALL THE FOREGOING, judgment is hereby rendered ordering the defendant and any person or persons claiming right of possession under him to vacate the premises of Cadastral Lot No. 35094-C, of the Cadastral Survey of Laoag City.

The defendant is also hereby ordered to pay plaintiffs attorney's fees in the amount of ₱15,000.00

The parties are hereby ordered to submit within ten (10) days from their receipt hereof their respective evidence on the matter of actual damages.

With costs against the defendant.

IT IS SO ORDERED.<sup>11</sup>

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<sup>7</sup> Id. at 173-176.

<sup>8</sup> Id. at 190-197.

<sup>9</sup> Id. at 193

<sup>10</sup> Id. at 195.

<sup>11</sup> Id. at 196-197.

On January 25, 2000, the MTCC issued a supplemental judgment, *viz.*:

IN VIEW OF ALL THE FOREGOING, this supplemental judgment is hereby rendered, in addition to the orders contained in the decretal portion of the decision rendered by this court in the above-entitled case, ordering the herein-defendant to pay plaintiffs the monthly rentals for the property under litigation at the rate of ₱18,000.00 per month, from July 3, 1997 with legal interests thereon from the same time until full payment is made.

IT IS SO ORDERED.<sup>12</sup>

Meantime, Branch 12 decided Civil Case 11300 by declaring that the sale of the property to Llanes was null and void; and that the Chius were the owners.<sup>13</sup> Thus, he appealed the decision to the Court of Appeals (CA), where the appeal was docketed as C.A.-G.R. CV No. 73213.<sup>14</sup>

Llanes likewise appealed the MTCC's decision. His appeal, docketed as Civil Case No. 11939-15, was assigned to Branch 15.

In its decision on December 29, 2000,<sup>15</sup> Branch 15 reversed the MTCC.<sup>16</sup> It held that the principal issue of possession *de facto* issue was closely intertwined with the issue of ownership, considering that both parties had asserted ownership over the same property; that although the MTCC had made its own findings on the issue of ownership, the findings by Branch 12 were more conclusive and persuasive due to Branch 12 having conducted a full-blown trial as opposed to the MTCC's summary proceedings; that despite citing the findings by Branch 12, however, it disagreed with the conclusion that the Chius were now the owners of the property,<sup>17</sup> opining that considering that they had dealt with the owner of registered land the Chius were charged with knowledge that the property had been the object of various agreements between Castro and Llanes; and that the waiver and undertaking by Llanes had been obtained as part of a scheme for them to plead good faith in acquiring the property.<sup>18</sup>

The decision in Civil Case No. 11939-15 was elevated to the CA (C.A.-G.R. SP No. 65910).

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<sup>12</sup> Id. at 200.

<sup>13</sup> Id. at 159, 160 and 172.

<sup>14</sup> Id. at 35

<sup>15</sup> Id. at 201-216.

<sup>16</sup> Id. at 17.

<sup>17</sup> Id. at 205-209.

<sup>18</sup> Id. at 214.

On November 28, 2003, the CA promulgated its assailed decision affirming the judgment of Branch 15.<sup>19</sup> The CA added that the right of the Chius to eject Llanes depended upon the final resolution of who between them had acquired the rightful ownership of the property, a question that would be determined in C.A.-G.R. CV No. 73213; and that his ejectment would be prejudicial to Llanes should C.A.-G.R. CV No. 73213 be resolved in his favor.<sup>20</sup>

### Issue

Whether or not the petitioners were entitled to eject Llanes from the property.

### Ruling of the Court

The appeal is meritorious.

The main issue in an action for ejectment is possession *de facto*. Considering that Llanes' basis for resisting the action for ejectment was his claim of ownership in his own right, the Court must now pass upon ownership provisionally in order to determine which party had the better right of possession.

It is not disputed that the Chius were able to register the property in their name under TCT No. T-28111-Laoag City. Despite Llanes disputing the validity of the registration of their title, it cannot be denied that the property remained registered under the name of the Chius during the pendency of this case. As such, they are entitled by law to the peaceful possession of the property conformably with the principle that whoever had a Torrens title over land had the right to its possession.<sup>21</sup>

The contention of Llanes that the Chius were not buyers in good faith, which Branch 15 upheld, constituted a collateral attack on the Torrens title of the Chius. Such an attack was impermissible, and should not be allowed in an unlawful detainer.<sup>22</sup>

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<sup>19</sup> Id. at 31-44, penned by Associate Justice Rodrigo V. Cosico (retired), and concurred in by Associate Justice Mariano C. Del Castillo (now a Member of the Court) and Associate Justice Rosalinda Asuncion-Vicente (retired).

<sup>20</sup> Id. at 43.

<sup>21</sup> *Barias v. Heirs of Bartolome Boneo*, G.R. No. 166941, December 14, 2009, 608 SCRA 169, 175.

<sup>22</sup> *Corpuz v. Agustin*, G.R. No. 183822, January 18, 2012, 663 SCRA 350, 365.

Lastly, the appeal in C.A.-G.R. CV No. 73213 was already resolved with finality in favor of the Chius, with the CA affirming the decision of Branch 12 in Civil Case 11300.<sup>23</sup> Conformably with the doctrine of *res judicata*, Llanes should now recognize that the property rightfully belonged to the Chius.

**WHEREFORE**, the Court **GRANTS** the petition for review on *certiorari*; **REVERSES** and **SETS ASIDE** the decision promulgated on November 28, 2003 in C.A.-G.R. SP No. 65910; **REINSTATES** the decision rendered on December 20, 1999 and the supplemental decision rendered on January 25, 2000 in Civil Case No. 2857 by the Municipal Trial Court in Cities of Laoag City; and **ORDERS** the respondent to pay the costs of suit.

**SO ORDERED.**” **SERENO, C.J.**, on official leave; **PERALTA, J.**, acting member per S.O. No. 2103 dated July 13, 2015. **LEONARDO-DE CASTRO, J.**, on official leave; **LEONEN, J.**, acting member per S.O. No. 2108 dated July 13, 2015.

Very truly yours,

  
**EDGAR O. ARICHETA**  
Division Clerk of Court

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<sup>23</sup> *Rollo*, pp. 530-557, and 584.