



Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

PROVINCE OF CAMARINES
 SUR, represented by GOVERNOR
 LUIS RAYMUND F.
 VILLAFUERTE, JR.,

G.R. No. 194199

Present:

Petitioner,

VELASCO, JR., *J.*, Chairperson,
 BERSAMIN,
 REYES,
 JARDELEZA, and
 TIJAM, *JJ.*

-versus-

BODEGA GLASSWARE,
 represented by its owner JOSEPH
 D. CABRAL,

Promulgated:

Respondent.

March 21, 2017
[Signature]

x-----x

DECISION

JARDELEZA, *J.*:

The Case

This is a verified petition for review on *certiorari*¹ under Rule 45 of the Rules of Court filed by petitioner Province of Camarines Sur (petitioner) challenging the Decision² of the Court of Appeals (CA) promulgated on May 31, 2010 (assailed Decision) and its Resolution³ dated October 12, 2010 (assailed Resolution). The assailed Decision affirmed the Decision⁴ of the Regional Trial Court of Naga City, Branch 26 (RTC Naga City), which in turn, reversed the ruling⁵ of the Municipal Trial Court of Naga City, Branch 2 (MTC Naga City) in the action for ejectment filed by the petitioner against respondent Bodega Glassware (Bodega).

¹ *Rollo*, pp. 12-26.

² *Id.* at 28-41, penned by Associate Justice Ramon R. Garcia with Associate Justices Romeo F. Barza, and Manuel M. Barrios, concurring.

³ *Id.* at 62-63.

⁴ *Id.* at 82-88.

⁵ *Id.* at 109-111.

[Signature]

The Facts

Petitioner is the registered owner of a parcel of land in Peñafrancia, Naga City under Original Certificate of Title (OCT) No. 22.⁶ On September 28, 1966, through then Provincial Governor Apolonio G. Maleniza, petitioner donated around 600 square meters of this parcel of land to the Camarines Sur Teachers' Association, Inc. (CASTEA) through a Deed of Donation *Inter Vivos* (Deed of Donation).⁷ The Deed of Donation included an automatic revocation clause which states:

That the condition of this donation is that the DONEE shall use the above-described portion of land subject of the present donation for no other purpose except the construction of its building to be owned and to be constructed by the above-named DONEE to house its offices to be used by the said Camarines Sur Teachers' Association, Inc., in connection with its functions under its charter and by-laws and the Naga City Teachers' Association as well as the Camarines Sur High School Alumni Association, PROVIDED FURTHERMORE, that the DONEE shall not sell, mortgage or encumber the property herein donated including any and all improvements thereon in favor of any party and provided, lastly, that the construction of the building or buildings referred to above shall be commenced within a period of one (1) year from and after the execution of this donation, otherwise, this donation shall be deemed automatically revoked and voided and of no further force and effect.⁸

CASTEA accepted the donation in accordance with the formalities of law and complied with the conditions stated in the deed. However, on August 15, 1995, CASTEA entered into a Contract of Lease with Bodega over the donated property.⁹ Under the Contract of Lease, CASTEA leased the property to Bodega for a period of 20 years commencing on September 1, 1995 and ending on September 15, 2015. Bodega took actual possession of the property on September 1, 1995.¹⁰

Sometime in July 2005, the Office of the Provincial Legal Officer of the Province of Camarines Sur wrote Bodega regarding the building it built on the property. The Provincial Legal Officer requested Bodega to show proof of ownership or any other legal document as legal basis for his possession. Bodega failed to present any proof. Nevertheless, petitioner left Bodega undisturbed and merely tolerated its possession of the property.¹¹

⁶ *Id.* at 29.


⁷ *Id.* at 29; 107-108.

⁸ *Id.* at 107.

⁹ *Id.* at 30-31.

¹⁰ *Id.* at 31.

¹¹ *Id.* at 16-17.



On November 11, 2007, petitioner sent a letter to Bodega dated October 4, 2007.¹² In this letter, petitioner stated that Bodega's occupation of the property was by mere tolerance of the petitioner.¹³ As it now intended to use the property for its developmental projects, petitioner demanded that Bodega vacate the property and surrender its peaceful possession. Bodega refused to comply with the demand.¹⁴

Petitioner, through its then Provincial Governor Luis Raymund F. Villafuerte, Jr., revoked its donation through a Deed of Revocation of Donation¹⁵ (Deed of Revocation) dated October 14, 2007. It asserted that CASTEA violated the conditions in the Deed of Donation when it leased the property to Bodega. Thus, invoking the automatic revocation clause in the Deed of Donation, petitioner revoked, annulled and declared void the Deed of Donation.¹⁶ It appears from the record that CASTEA never challenged this revocation.

On March 13, 2008, petitioner filed an action for unlawful detainer against Bodega before the MTC Naga City. It prayed that Bodega be ordered to vacate the property and surrender to petitioner its peaceful possession. Petitioner also prayed for the payment of ₱15,000 a month from October 2007 until Bodega vacates the land.¹⁷

In a Decision¹⁸ dated December 11, 2008, the MTC Naga City ruled in favor of the petitioner. It ordered Bodega to vacate the property and to pay ₱15,000 a month as reasonable compensation.¹⁹ The dispositive portion of this Decision states:

Wherefore, the foregoing premises considered, plaintiff having established by preponderance of evidence its cause of action against the defendant, the latter is ordered:

- 1) To immediately vacate and surrender to plaintiff, Province of Camarines Sur, the peaceful possession of the portion of the land covered by Original Certificate of Title No. 22 registered in the name of the plaintiff with an area of Six Hundred (600) square meters subject of the lease contract executed by CASTEA in favor of the herein defendant dated 7 September 1995 where the defendants (*sic*) building is constructed, and,
- 2) [T]o pay plaintiff the amount of Php15,000.00 a month from date of judicial demand until it vacates the subject

¹² *Id.* at 31.

¹³ *Id.*

¹⁴ *Id.*

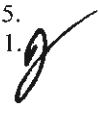
¹⁵ *Rollo*, pp. 112-113.

¹⁶ *Id.* at 112.

¹⁷ *Id.* at 31-32.

¹⁸ *Supra* note 5.

¹⁹ *Rollo*, p. 111.



properties as reasonable compensation for the use of the same.

Defendant's counterclaim is hereby ordered DISMISSED with costs against defendant.²⁰

Bodega appealed this Decision to the RTC Naga City which reversed it in a Decision²¹ dated May 13, 2009. The dispositive portion states:

WHEREFORE premises considered, the decision of the court a quo is hereby reversed and set aside and a new one entered DISMISSING the above case for failure of the plaintiff to present evidence to sustain its cause of action[.]²²

The petitioner then went up on appeal to the CA which rendered the now assailed Decision. The CA disposed of the appeal thus:

WHEREFORE, premises considered, the appeal is hereby **DENIED**. The Decision dated May 13, 2009 of the Regional Trial Court, Branch 26, Naga City is hereby **AFFIRMED**.²³

In its assailed Decision, the CA affirmed the ruling of the RTC Naga City that the petitioner cannot demand that Bodega vacate the property. The CA explained that Bodega's possession of the property is based on its Contract of Lease with CASTEA. CASTEA, in turn, claims ownership of the property by virtue of the Deed of Donation. According to the CA, while petitioner alleges that CASTEA violated the conditions of the donation and thus, the automatic revocation clause applies, it should have first filed an action for reconveyance of the property against CASTEA. The CA theorized that judicial intervention is necessary to ascertain if the automatic revocation clause suffices to declare the donation revoked. In support of its argument, the CA cited the ruling of this Court in *Roman Catholic Archbishop of Manila v. Court of Appeals*.²⁴

The CA also found that petitioner's action has already prescribed. According to it, Article 1144(1) of the Civil Code applies in this case. Thus, petitioner had 10 years to file an action for reconveyance from the time the Deed of Donation was violated. As the Contract of Lease was entered into on September 1, 1995, petitioner, thus, had 10 years from this date to file the action. Unfortunately, the action for unlawful detainer was filed more than 12 years later. Further, the CA added that even the revocation of the


²⁰ *Id.*

²¹ *Supra* note 4.

²² *Rollo*, p. 88.

²³ *Id.* at 40.

²⁴ G.R. No. 77425, June 19, 1991, 198 SCRA 300; *Rollo*, pp. 37-39.



donation was done beyond the 10-year prescriptive period. The CA also denied petitioner's motion for reconsideration.²⁵

Petitioner filed this verified petition for review on *certiorari* challenging the assailed Decision. It argues that the CA wrongly applied the doctrine in *Roman Catholic Archbishop of Manila*. It asserts that the assailed Decision in fact categorically stated that in donations containing an automatic revocation clause, judicial intervention is not necessary for the purpose of effectively revoking the donation. Such a revocation is valid subject to judicial intervention only when its propriety is challenged in court.²⁶

In its comment, Bodega anchors its right of possession on its Contract of Lease with CASTEA. It insists that the Contract of Lease is valid because CASTEA is the owner of the property. The automatic revocation clause did not immediately revoke the donation in the absence of a judicial declaration. It also agrees with the CA that the petitioner's action has already prescribed.²⁷

The Issues

The core issue in this case is who between petitioner and Bodega has the right to the actual physical possession of the property. The resolution of this issue requires us to look into the basis of their claims of possession. Essential to this is the determination of the effect of the automatic revocation clause in the Deed of Donation. We note, however, that an action for unlawful detainer pertains only to the issue of *possession de facto* or actual possession. Thus, while we may rule on the basis of the parties' claims of possession—which, in the case of the petitioner, involves an assertion of ownership—this determination is only provisional and done solely to settle the question of possession.

The Ruling of the Court

Rule 70 of the Rules of Court covers the ejectment cases of forcible entry and unlawful detainer. These actions are summary proceedings and are devised to provide for a particular remedy for a very specific issue. Actions for unlawful detainer and forcible entry involve only the question of actual possession.²⁸ In these actions, courts are asked to ascertain which between the parties has the right to the *possession de facto* or physical possession of the property in question.²⁹ Its purpose is to restore the aggrieved party to possession if he or she successfully establishes his or her right to possess the

²⁵ *Rollo*, p. 63.

²⁶ *Id.* at 18-19.

²⁷ *Id.* at 316-322.

²⁸ *Go, Jr. v. Court of Appeals*, G.R. No. 142276, August 14, 2001, 362 SCRA 755, 766.

²⁹ *University Physicians Services, Inc. v. Court of Appeals*, G.R. No. 100424, June 13, 1994, 233 SCRA 86, 89.

property. The essence of an ejectment suit is for the rightful possessor to lawfully recover the property through lawful means instead of unlawfully wresting possession of the property from its current occupant.³⁰ Thus, an action for unlawful detainer or forcible entry is a summary proceeding and is an expeditious means to recover possession. If the parties raise the issue of ownership, courts may only pass upon that issue for the purpose of ascertaining who has the better right of possession.³¹ Any ruling involving ownership is not final and binding. It is merely provisional and does not bar an action between the same parties regarding the title of the property.³²

An action for unlawful detainer, as in this case, pertains to specific circumstances of dispossession. It refers to a situation where the current occupant of the property initially obtained possession lawfully.³³ This possession only became unlawful due to the expiration of the right to possess which may be a contract, express or implied, or by mere tolerance.³⁴

An action for unlawful detainer must allege and establish the following key jurisdictional facts:

- (1) initially, possession of property by the defendant was by contract with or by tolerance of the plaintiff;
- (2) eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession;
- (3) thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment thereof; and
- (4) within one year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.³⁵

When in an unlawful detainer action, the party seeking recovery of possession alleges that the opposing party occupied the subject property by mere tolerance, this must be alleged clearly and the acts of tolerance established.³⁶ Further, the party seeking possession must identify the source of his or her claim as well as satisfactorily present evidence establishing it.

In this case, petitioner alleged that as early as 2005, it had asked Bodega to present proof of its legal basis for occupying the property. Bodega, however, failed to heed this demand. For several years, petitioner merely tolerated Bodega's possession by allowing it to continue using its building and conducting business on the property. Petitioner demanded that

³⁰ *Carbonilla v. Abiera*, G.R. No. 177637, July 26, 2010, 625 SCRA 461.

³¹ *Corpuz v. Agustin*, G.R. No. 183822, January 18, 2012, 663 SCRA 350, 358.

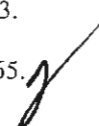
³² RULES OF COURT, Rule 70, Sec. 18.

³³ *Macasaet v. Macasaet*, G.R. Nos. 154391-92, September 30, 2004, 439 SCRA 625.

³⁴ *Republic v. Luriz*, G.R. No. 158992, January 26, 2007, 513 SCRA 140, 152-153.

³⁵ *Suarez v. Emboy, Jr.*, G.R. No. 187944, March 12, 2014, 718 SCRA 677, 692.

³⁶ *Quijano v. Amante*, G.R. No. 164277, October 8, 2014, 737 SCRA 552, 564-565.



Bodega vacate the property in November 2007. This presents a clear case of unlawful detainer based on mere tolerance.

Petitioner proceeds to argue that its right of possession is based on its ownership. This, in turn, is hinged on its position that the property reverted back to the petitioner when the donation was revoked as provided in the automatic revocation clause in the Deed of Donation.

We shall rule on the effect of the automatic revocation clause for the purpose of ascertaining who between petitioner and Bodega has the right to possess the property.

This Court has affirmed the validity of an automatic revocation clause in donations in the case of *De Luna v. Abrigo*³⁷ promulgated in 1990. We explained the nature of automatic revocation clauses by first identifying the three categories of donation. In *De Luna*, we said that a donation may be simple, remuneratory or onerous. A donation is simple when the cause is the donor's pure liberality. It is remuneratory when the donor "gives something to reward past or future services or because of future charges or burdens, when the value of said services, burdens or charges is less than the value of the donation."³⁸ A donation is onerous when it is "subject to burdens, charges, or future services equal (or more) in value than that of the thing donated x x x."³⁹ This Court found that the donation in *De Luna* was onerous as it required the donee to build a chapel, a nursery, and a kindergarten. We then went on to explain that an onerous donation is governed by the law on contracts and not by the law on donations. It is within this context that this Court found an automatic revocation clause as valid.

We explained in *De Luna* that Article 1306 of the Civil Code allows the parties "to establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order or public policy."⁴⁰ In contracts law, parties may agree to give one or both of them the right to rescind a contract unilaterally. This is akin to an automatic revocation clause in an onerous donation. The jurisprudence on automatic rescission in the field of contracts law therefore applies in an automatic revocation clause.

Hence, in *De Luna*, we applied our rulings in *University of the Philippines v. De los Angeles*⁴¹ and *Angeles v. Calasanz*⁴² where we held that an automatic rescission clause effectively rescinds the contract upon breach without need of any judicial declaration.

³⁷ G.R. No. 57455, January 18, 1990, 181 SCRA 150.

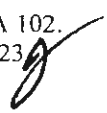
³⁸ *Id.* at 155.

³⁹ *Id.* at 156. Citation omitted.

⁴⁰ *Id.* at 156-157.

⁴¹ G.R. No. L-28602, September 29, 1970, 35 SCRA 102.

⁴² G.R. No. L-42283, March 18, 1985, 135 SCRA 323.



In *University of the Philippines*, this Court held that a party to a contract with an automatic rescission clause, who believes that there has been a breach warranting rescission, may consider the contract rescinded without previous court action. Speaking through Justice J.B.L. Reyes, we said:

x x x [T]he law definitely does not require that the contracting party who believes itself injured must first file suit and wait for a judgment before taking extrajudicial steps to protect its interest. Otherwise, the party injured by the other's breach will have to passively sit and watch its damages accumulate during the pendency of the suit until the final judgment of rescission is rendered when the law itself requires that he should exercise due diligence to minimize its own damages x x x.⁴³

We, however, clarified that the other party may contest the extrajudicial rescission in court in case of abuse or error by the rescinder. It is only in this case where a judicial resolution of the issue becomes necessary.

Applying this to the automatic revocation clause, we ruled in *De Luna* that:

It is clear, however, that judicial intervention is necessary not for purposes of obtaining a judicial declaration rescinding a contract already deemed rescinded by virtue of an agreement providing for rescission even without judicial intervention, but in order to determine whether or not the rescission was proper.⁴⁴

While the ruling in *De Luna* applied specifically to onerous donations with an automatic revocation clause, we extended this doctrine to apply to donations *inter vivos* in general in *Roman Catholic Archbishop of Manila*. We explained in this case that Article 732 of the Civil Code states that the general provisions on obligations and contracts shall govern donations *inter vivos* in all matters not determined in Title III, Book III on donations. Title III has no explicit provisions for instances where a donation has an automatic revocation clause. Thus, the rules in contracts law regarding automatic rescission of contracts as well as the jurisprudence explaining it find suppletory application. We then reiterated in *Roman Catholic Archbishop of Manila* that where a donation has an automatic revocation clause, the occurrence of the condition agreed to by the parties as to cause the revocation, is sufficient for a party to consider the donation revoked without need of any judicial action. A judicial finding that the revocation is proper is only necessary when the other party actually goes to court for the specific purpose of challenging the propriety of the revocation. Nevertheless, even in such a case, "x x x the decision of the court will be merely

⁴³ *University of the Philippines v. De los Angeles*, *supra* note 41 at 107. Citations omitted.

⁴⁴ *De Luna v. Abrigo*, *supra* note 37 at 158.

declaratory of the revocation, but it is not in itself the revocatory act.”⁴⁵ We also explained in this case that in ascertaining the prescription of actions arising from an automatic revocation clause in donations, the general provisions on prescription under the Civil Code apply. Article 764—which provides for a four-year prescriptive period to file an action to revoke the donation in case of breach of a condition—governs an instance where the deed of donation does not contain an automatic revocation clause.⁴⁶

We repeated this ruling in *Dolar v. Barangay Lublub (Now P.D. Monfort North) Municipality of Dumangas*.⁴⁷ We once again held that if a contract of donation provides for automatic rescission or reversion in case of a breach of a condition and the donee violates it or fails to comply with it, the property donated automatically reverts back to the donor without need of any judicial declaration. It is only when the donee denies the rescission or challenges its propriety that the court can intervene to conclusively settle whether the resolution was proper. This was also the import of our ruling in *Zamboanga Barter Traders Kilusang Bayan, Inc. v. Plagata*.⁴⁸

In this case, the Deed of Donation contains a clear automatic revocation clause. The clause states:

That the condition of this donation is that the DONEE shall use the above-described portion of land subject of the present donation for no other purpose except the construction of its building to be owned and to be constructed by the above-named DONEE to house its offices to be used by the said Camarines Sur Teachers' Association, Inc., in connection with its functions under its charter and by-laws and the Naga City Teachers' Association as well as the Camarines Sur High School Alumni Association, PROVIDED FURTHERMORE, that the DONEE shall not sell, mortgage or incur the property herein donated including any and all improvements thereon in favor of any party and provided, lastly, that the construction of the building or buildings referred to above shall be commenced within a period of one (1) year from and after the execution of this donation, otherwise, this donation shall be deemed automatically revoked and voided and of no further force and effect.⁴⁹

The provision identifies three conditions for the donation: (1) that the property shall be used for “no other purpose except the construction of its building to be owned and to be constructed by the above-named DONEE to house its offices to be used by the said Camarines Sur Teachers' Association, Inc., in connection with its functions under its charter and by-laws and the Naga City Teachers' Association as well as the Camarines Sur

⁴⁵ *Roman Catholic Archbishop of Manila v. Court of Appeals*, *supra* note 24 at 308-309.

⁴⁶ *Id.* at 306.

⁴⁷ G.R. No. 152663, November 18, 2005, 475 SCRA 458.

⁴⁸ G.R. No. 148433, September 30, 2008, 567 SCRA 163.

⁴⁹ *Rollo*, p. 107.

High School Alumni Association,” (2) CASTEA shall “not sell, mortgage or incumber the property herein donated including any and all improvements thereon in favor of any party,” and (3) “the construction of the building or buildings referred to above shall be commenced within a period of one (1) year from and after the execution.” The last clause of this paragraph states that “otherwise, this donation shall be deemed automatically revoked x x x.”⁵⁰ We read the final clause of this provision as an automatic revocation clause which pertains to all three conditions of the donation. When CASTEA leased the property to Bodega, it breached the first and second conditions.

Accordingly, petitioner takes the position that when CASTEA leased the property to Bodega, it violated the conditions in the Deed of Donation and as such, the property automatically reverted to it. It even executed a Deed of Revocation. The records show that CASTEA never contested this revocation. Hence, applying the ruling in *De Luna, Roman Catholic Archbishop of Manila, Dolor and Zamboanga Barter Traders Kilusang Bayan, Inc.*, petitioner validly considered the donation revoked and by virtue of the automatic revocation clause, this revocation was automatic and immediate, without need of judicial intervention. Thus, the CA clearly erred in its finding that petitioner should have first filed an action for reconveyance. This contradicts the doctrine stated in the aforementioned cases and renders nugatory the very essence of an automatic revocation clause.


Thus, as petitioner validly considered the donation revoked and CASTEA never contested it, the property donated effectively reverted back to it as owner. In demanding the return of the property, petitioner sources its right of possession on its ownership. Under Article 428 of the Civil Code, the owner has a right of action against the holder and possessor of the thing in order to recover it.

This right of possession prevails over Bodega’s claim which is anchored on its Contract of Lease with CASTEA. CASTEA’s act of leasing the property to Bodega, in breach of the conditions stated in the Deed of Donation, is the very same act which caused the automatic revocation of the donation. Thus, it had no right, either as an owner or as an authorized administrator of the property to lease it to Bodega. While a lessor need not be the owner of the property leased, he or she must, at the very least, have the authority to lease it out.⁵¹ None exists in this case. Bodega finds no basis for its continued possession of the property.

As to the question of prescription, we rule that the petitioner’s right to file this ejectment suit against Bodega has not prescribed.

⁵⁰ *Id.*

⁵¹ *Ballesteros v. Abion*, G.R. No. 143361, February 9, 2006, 482 SCRA 23, 33.



First, we reiterate that jurisprudence has definitively declared that Article 764 on the prescription of actions for the revocation of a donation does not apply in cases where the donation has an automatic revocation clause.⁵² This is necessarily so because Article 764 speaks of a judicial action for the revocation of a donation. It cannot govern cases where a breach of a condition automatically, and without need of judicial intervention, revokes the donation.

Second, we cannot agree with the ruling of the CA that the petitioner should have first filed an action for reconveyance of the property, and that petitioner's action has prescribed since it did not file the action within 10 years. This reveals a failure to understand the nature of a donation with an automatic revocation clause. At the risk of repetition, the breach of the condition in the donation causes the automatic revocation. All the donor has to do is to formally inform the donee of the revocation. Judicial intervention only becomes necessary if the donee questions the propriety of the revocation. Even then, judicial intervention is required to merely confirm and not order the revocation. Hence, there can be no 10-year prescriptive period to file an action to speak of. When the donee does not contest the revocation, no court action is necessary.

Third, as owner of the property in this case, the petitioner is entitled to its possession. The petitioner's action for ejectment is anchored on this right to possess. Under the Civil Code and the Rules of Court, a party seeking to eject another from a property for unlawful detainer must file the action for ejectment within one year from the last demand to vacate.⁵³ This is the prescriptive period that the petitioner is bound to comply with in this case. The records show that the petitioner served its last demand letter on November 11, 2007. It filed the action for ejectment on March 13, 2008 or around four months from the last demand. The action is clearly within the prescriptive period.

We also affirm the grant of damages in favor of the petitioner.

Section 17 of Rule 70 of the Rules of Court provides:

Sec. 17. *Judgment.* – If after trial the court finds that the allegations of the complaint are true, it shall render judgment in favor of the plaintiff for the restitution of the premises, the sum justly due as arrears of rent or as **reasonable compensation for the use and occupation of the premises, attorney's fees and costs.** x x x (Emphasis supplied.)

⁵² *Zamboanga Barter Traders Kilusang Bayan, Inc. v. Plagata*, G.R. No. 148433, September 30, 2008, 567 SCRA 163, 181-182; *Roman Catholic Archbishop of Manila v. Court of Appeals*, G.R. No. 77425, June 19, 1991, 198 SCRA 300, 306-307.

⁵³ CIVIL CODE, Art. 1147; RULES OF COURT, Rule 70, Sec. 1.



Thus, the rightful possessor in an unlawful detainer case is entitled to recover damages, which refer to “rents” or “the reasonable compensation for the use and occupation of the premises,” or “fair rental value of the property”⁵⁴ and attorney’s fees and costs. More specifically, recoverable damages are “those which the plaintiff could have sustained as a mere possessor, or those caused by the loss of the use and occupation of the property.”⁵⁵


In this case, the petitioner prayed for the award of ₱15,000 monthly as damages. Petitioner argued that considering that the Contract of Lease between CASTEA and Bodega shows that the monthly rent for the property is ₱30,000, the amount of ₱15,000 which it prays for is fair and reasonable.⁵⁶ We agree with the petitioner’s position. The amount of rent in the Contract of Lease is evidence of the fair rental value of the property. That the petitioner asked for half of this amount as damages is reasonable given the circumstances.

WHEREFORE, the petition is **PARTIALLY GRANTED**. The Decision of the Court of Appeals dated May 31, 2010 which **AFFIRMED** the Decision of the RTC of Naga City Branch 26 dated May 13, 2009 is **REVERSED** and **SET ASIDE**. The Decision of the MTC Naga City is **REINSTATED**.

SO ORDERED.


FRANCIS H. JARDELEZA
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



LUCAS P. BERSAMIN
Associate Justice


BIENVENIDO L. REYES
Associate Justice

⁵⁴ *Herrera v. Bollos*, G.R. No. 138258, January 18, 2002, 374 SCRA 107, 112.

⁵⁵ *Dumo v. Espinas*, G.R. No. 141962, January 25, 2006, 480 SCRA 53, 70.

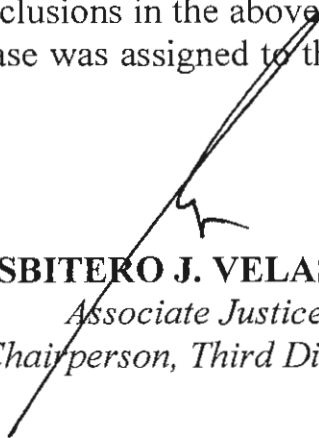
⁵⁶ *Rollo*, p. 133.



NOEL G. TIAM
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice

