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Division Clerk of Court
Third Division

Republic of the Philippines
Supreme Court
Manila

JAN 13 2021

THIRD DIVISION

SUPREME COURT OF THE PHILIPPINES
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ARACELI REBURIANO,
Petitioner,

G.R. No. 243896

Present:

LEONEN, J.,
Chairperson,
GESMUNDO,
CARANDANG,
ZALAMEDA, and
GAERLAN, JJ.

- versus -

AUGUSTUS "JOJIT" DE VERA,
Respondent.

Promulgated:

July 15, 2020

~~Mis-POCBatt~~

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DECISION

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court (Rules), assailing the Decision² dated July 13, 2018 and the Resolution³ dated November 23, 2018 of the Court of Appeals (CA) in CA-G.R. CV No. 108629 filed by petitioner Araceli Reburiano (Reburiano).

The Antecedents

The petition involves a parcel of land covered by Transfer Certificate of Title No. 540832 (TCT)⁴ located in Marick Subdivision, Barangay Sto. Domingo, Cainta, Rizal with an area of 240 square meters (sqm). The subject property is registered under the name of Rodolfo F. Padilla, married to Araceli R. Padilla (Reburiano).⁵

¹ Rollo, pp. 3-15.

² Penned by Associate Justice Japar B. Dimaampao, with the concurrence of Associate Justices Manuel M. Barrios and Jhosep Y. Lopez concurring; id. at 20-29.

³ Id. at 46-47.

⁴ CA rollo, p. 87.

⁵ Id.

Reburiano sold the subject property for US\$60,000.00 to Ruth De Vera (Ruth), mother of respondent Augustus "Jojit" De Vera (Jojit) who occupied the premises. The purchase price was payable in installments for a period of three years from July 1, 2000.⁶

As of November 9, 2003, or more than three years from July 1, 2000, Ruth had only paid the sum of US\$29,935.00, or less than half the purchase price of the property. On January 17, 2004, the parties agreed to rescind the sale due to Ruth's failure to timely pay the full purchase price. Reburiano agreed to refund Ruth her installment payments in the sum of US\$20,000.00, with US\$12,500.00 as down payment and the balance of US\$7,500.00 payable monthly. In return, Ruth agreed to vacate the property upon tender of the down payment.⁷ Upon execution of the agreement, Reburiano tendered the down payment of US\$12,000.00. However, Ruth reneged on her obligation to vacate the property and Jojit continued to occupy the property with the consent of Ruth.⁸

As the demand to vacate the premises fell on deaf ears, Reburiano filed a Complaint for Unlawful Detainer against Jojit before the Municipal Trial Court (MTC) of Cainta, Rizal docketed as Civil Case No. 880-AF(04).

On July 27, 2006, the MTC rendered its Amended Decision,⁹ the dispositive portion of which states:

Wherefore, judgment is hereby rendered, as follows:

- (a) Ordering the defendant, and all persons claiming interests under him, to vacate the premises in question and restore the possession thereof to the plaintiff;
- (b) Ordering the defendant to pay the plaintiff reasonable compensation for his use and occupation of the premises at the rate of P10,000.00 a month from January 17, 2004 up to the time he finally vacates the property;
- (c) Ordering the defendant to pay plaintiff the sum of P25,000.00, as and for attorney's fees;
- (d) Ordering the defendant to pay the costs of suit; and
- (e) Ordering the plaintiff to pay to Ruth de Vera and/ or the defendant, by way of refund, the sum of \$20,000 less the total sum cumulatively due the plaintiff as reasonable compensation for defendant's use and occupancy of the premises as per (b) above.

Should payment of the net amount due the plaintiff under (e) above be made in the United States of America, the peso-dollar closing rate under the Philippine Dealing System as at the date of payment should be used as basis in converting the total peso amount of reasonable compensation to U.S. dollars, and both the plaintiff and Ruth de Vera are hereby directed to jointly file with this Court a Manifestation that payment of the same had been made.

⁶ *Rollo*, p. 49.

⁷ *Id.* at 49, 54.

⁸ *Id.* at 50-51.

⁹ Penned by Presiding Judge Teresito A. Andoy; *id.* at 48-57.

Finally, since the above judgment has been rendered based on the principle of mutual restitution in cases of rescission under the Civil Code, eviction of the defendant from the premises and restoration of possession thereof to plaintiff pursuant to (a) above shall only take place after all the other dispositions in the dispositive portion of the decision (“b” to “e” above) have been duly satisfied.

SO ORDERED.¹⁰ (Underscoring in the original)

The MTC accorded due weight and consideration to the agreement between Reburiano and Ruth to rescind the purchase agreement.¹¹

On August 30, 2006, Reburiano deposited with the MTC US\$13,500.00 or US\$6,500.00 less than the money judgment of US\$20,000.00 due to Ruth. The deduction pertains to the reasonable compensation for the use and occupancy of the property from January 2004 to August 2006.¹²

Augustus filed a Motion for Issuance of a Writ of Execution. The MTC issued a Writ of Execution¹³ dated September 5, 2008 with the following instructions to the sheriff:

NOW, THEREFORE, for and in consideration of the foregoing premises, you are hereby commanded to effect the execution of this Court’s aforequoted judgment and/ or decision: that of the goods and chattels of plaintiff at the above-given address and elsewhere, you cause to be made the sum of \$20,000.00 less the total sum cumulatively due to plaintiff as reasonable compensation for defendant’s use and occupancy of the premises as per [b] above [.] together with your fees for the service of this writ, all in Philippine currency, which Defendant JOJIT DE VERA recovered in this Court on July 27, 2006 against herein plaintiff with respect to letter [e] of the dispositive portion of the Amended Decision and that you render the same to said defendant Jojit De Vera aside from your fees thereon;

In case sufficient properties of said plaintiff cannot be found to satisfy the amount of the writ and your fees hereon, you are hereby ordered to levy upon the real estate of said plaintiff and sell the same in the manner provided for by law for the satisfaction of the said balance of such amount and your fees hereon. Make a return of this writ unto this Court within sixty [60] days from receipt, indicating your action thereon.¹⁴ (Emphasis and underscoring in the original)

On September 25, 2008, Sheriff Rolando Palmares (Sheriff Palmares) of the Regional Trial Court (RTC) of Antipolo City sent a letter to Reburiano

¹⁰ Id. at 56-57.

¹¹ Id. at 56.

¹² Id. at 58.

¹³ Id. at 61-63.

¹⁴ Id. at 62-63.

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entitled "Demand to Comply Judgment"¹⁵ asking her to pay the money judgment of US\$20,000.00, as follows:

YOU ARE HEREBY NOTIFIED that by virtue of the Writ of Execution dated September 5, 2008, issued by HON. TERESITO A. ANDOY, Presiding Judge, Municipal Trial Court of Cainta, Rizal in the above-entitled case, undersigned Sheriff is hereby ordering you to pay within three (3) days Ruth de Vera and/or the defendant by way of refund, the sum of \$20,000.00 less the total sum cumulatively due you as reasonable compensation for defendant's use and occupancy of the subject premises.

YOU ARE FURTHER NOTIFIED that based on the computations made by this court officer, you are entitled to a total of P340,000.00 reasonable monthly rentals for the use by the defendant of the subject property computed at P10,000/ month from January 17, 2004 until it was allegedly abandoned by the defendant on November 10, 2006; the amount of P25,000.00 as and for attorney's fees and the amount P2,000 as costs of suit or a total amount of P367,000.00. Payment of the net amount due you shall be based on the peso-dollar closing rate under the Philippine Dealing System. x x x¹⁶

On November 6, 2008, Sheriff Palmares caused the annotation of a Notice of Levy Upon Real Property on TCT No. 540832 as a result of the alleged failure of Reburiano to settle her judgment debt of US\$20,000.00.¹⁷

On March 26, 2009, Reburiano filed a Motion to Annul and Lift Levy on the Property Covered by TCT No. 540832 and to Cancel Auction Sale.¹⁸

On May 15, 2009, Sheriff Palmares proceeded to sell at public auction the property covered by TCT No. 540832. Jojit emerged as the highest bidder and tendered the sum of US\$20,000.00 for the price of the levied property. No money changed hands during the auction sale because Sheriff Palmares considered the alleged judgment debt of US\$20,000.00 of Reburiano as the consideration of the sale.¹⁹ The Certificate of Sale²⁰ was approved by Judge Wilfredo G. Oca of the MTC, Cainta, and was annotated at the back of TCT No. 520832 on June 8, 2009. Sheriff Palmares even issued a Final Certificate of Final Sale dated June 10, 2010.²¹ Thereafter, Augustus filed an Ex-Parte Motion to Cancel TCT No. 540832. However, the motion was denied by the MTC.²²

¹⁵ Id. at 64; *CA rollo*, p. 134.

¹⁶ Id.

¹⁷ *Rollo*, p. 8.

¹⁸ Id. at 102-103.

¹⁹ Id. at 8.

²⁰ Id. at 65-66.

²¹ Id. at 92-93.

²² Id. at 89.

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Reburiano, represented by Reynaldo Parada, her attorney-in-fact, instituted before the RTC a Complaint for Quieting of Title with Damages²³ against Jojit docketed as Civil Case No. 09-8948. Reburiano prayed *inter alia* that: (1) the Notice of Levy Upon Real Property and the subsequent Certificate of Sale be declared null and void; (2) the corresponding annotation at the back of TCT No. 540832 be canceled; and (3) Ruth and Jojit be held jointly and severally liable to pay ₱300,000.00 as moral damages and ₱30,000.00 as attorney's fees.²⁴

Reburiano claimed that the Notice of Levy Upon Real Property was erroneously annotated on the title covering the subject property. She insisted that she exerted efforts to comply with the Amended Decision²⁵ yet the MTC refused to accept her judicial deposit. She claimed that the subject property was unlawfully sold at a public auction where Jojit was declared the highest bidder. Thus, the annotated Notice of Levy Upon Real Property and the Certificate of Sale constituted a cloud on her title.²⁶

On the contrary, Jojit maintained that he was the absolute owner of the subject property. He argued that the Complaint for Quieting of Title should be dismissed because Reburiano did not comply with her obligation under the Amended Decision to return the US\$20,000.00 she received from Ruth. He insisted that the Notice of Levy Upon Real Property and the Certificate of Sale were brought about by Reburiano's refusal to abide by the Amended Decision of the MTC. As the winning bidder at the auction sale, he averred that the Notice of Levy Upon Real Property and Certificate of Sale were validly issued.²⁷

Ruling of the Regional Trial Court

On January 27, 2016, the RTC rendered its Decision,²⁸ the dispositive portion of which reads:

WHEREFORE, premises considered, the complaint for quieting of title is ordered **DISMISSED** for lack of cause of action.

SO ORDERED.²⁹ (Emphasis in the original)

In dismissing the complaint, the RTC ruled that Reburiano cannot validly maintain an action for quieting of title because she no longer possessed any legal or equitable title to or interest over the subject property. The RTC explained that because she failed to redeem the foreclosed property within the one-year period, she lost whatever right she had over the property. The RTC also found that Reburiano failed to show that the notice of levy and the

²³ CA rollo, pp. 92-95.

²⁴ Id. at 94.

²⁵ Rollo, pp. 48-57.

²⁶ Id. at 22.

²⁷ Id. at 22-23.

²⁸ Penned by Presiding Judge Ma. Consejo Gengos-Ignalaga; CA rollo, pp. 40-46.

²⁹ Id. at 46.

certificate of sale are invalid or inoperative. She did not put into issue the validity of the levy on execution and the certificate of sale. Thus, the RTC concluded that even the second requisite for an action to quiet title is also absent.³⁰

Ruling of the Court of Appeals

In a Decision³¹ dated July 13, 2018, the CA denied the appeal of Reburiano, finding no reversible error in the ruling of the RTC.³²

In affirming the Decision of the RTC, the CA held that Reburiano failed to establish her legal or equitable title over the subject property as she ceased to be its owner after it was levied and sold at a public auction. The CA noted that: (1) Reburiano took no issue with the Amended Decision as she did not appeal the same; (2) she never tendered payment despite her receipt of the demand to comply with the Amended Decision; (3) she failed to pay despite the lapse of two years from the time the Amended Decision was rendered and subsequent receipt of the notice of public sale; (4) she filed a Motion to Deduct the Sum of ₱657,000.00 from the US\$20,000.00 due under the Amended Decision only on August 18, 2009 or three years following its rendition and months after the subject property was sold at a public auction to Jojit; and (5) she made a judicial deposit of US\$20,000.00 before the MTC only on June 25, 2015 or almost nine years after the Amended Decision was promulgated and five years after the issuance of the Certificate of Sale.³³

The CA also found no merit in the contention of Reburiano that she was not informed of the exact amount to be paid to Jojit. For the CA, the Demand to Comply Judgment³⁴ reflected a detailed computation of the specific amount that she must pay Jojit.³⁵ The CA concluded that because Reburiano did not exercise her right to redeem the subject property within one year, Jojit became the absolute owner thereof. Thus, she failed to establish that the deed, claim, encumbrance, or proceeding claimed to be casting cloud on her title was invalid or inoperative.³⁶

In a Resolution³⁷ dated November 23, 2018, the CA denied the Motion for Reconsideration³⁸ of Reburiano.³⁹

In the present petition,⁴⁰ Reburiano raised the lone error, to wit:

³⁰ Id.
³¹ Supra note 2.
³² *Rollo*, pp. 28-29.
³³ Id. at 27-28.
³⁴ Id. at 64.
³⁵ Id. at 26-27.
³⁶ Id. at 24.
³⁷ Supra note 3.
³⁸ *Rollo*, pp. 30-36.
³⁹ Id. at 47.
⁴⁰ Id. at 3-11.

AN EXECUTION IS VOID IF IT IS IN EXCESS OF AND BEYOND THE ORIGINAL JUDGMENT OR AWARD. SO, THE MTC, THE RTC AND THE COURT OF APPEALS COMMITTED GRAVE ERROR IN REFUSING TO VOID THE SALE IN EXECUTION OF PETITIONER'S PROPERTY NOTWITHSTANDING THAT THE SHERIFF SOLD SAID PROPERTY FOR AN AMOUNT MORE THAN THE MONEY JUDGMENT DECREED BY THE MTC DECISION.⁴¹

Reburiano argued that the allegedly void execution sale of the subject property conferred no right to Jojit. She also maintains that she did not lose her right over the property and that she was always willing to pay the money judgment against her at the proper amount.⁴²

In the Comment⁴³ Jojit filed, he reiterated that Reburiano failed to offer any clear and convincing evidence rebutting the presumption of regularity in the performance of Sheriff Palmares' official function.⁴⁴

Issue

The issue to be resolved is whether a judgment of the MTC in an ejectment case that enforces the rescission of a purchase agreement by awarding the sum of US\$20,000.00 less the reasonable compensation for Jojit's use and occupancy of the subject property is partially void for not being among the permissible reliefs in an ejectment case as enumerated in Section 17, Rule 70 of the Rules.

Ruling of the Court

The Amended Decision of the MTC dated July 27, 2006 is partially void.

At the outset, it must be pointed out that neither of the parties assailed the validity of the Amended Decision dated July 27, 2006 of the MTC, particularly the fifth instruction in said Amended Decision. The fifth instruction of the MTC states:

- (e) Ordering the plaintiff to pay to Ruth de Vera and/ or the defendant, by way of refund, the sum of \$20,000 less the total sum cumulatively due the plaintiff as reasonable compensation for defendant's use and occupancy of the premises as per (b) above.⁴⁵

A careful analysis of this instruction reveals that it is not one of the permissible reliefs in an ejectment case enumerated in Section 17, Rule 70 of

⁴¹ Id. at 9.

⁴² Id. at 10.

⁴³ Id. at 108-112.

⁴⁴ Id. at 111.

⁴⁵ Id. at 57.

the Rules. The instruction pertained to the restitution of the money Reburiano received from Ruth as down payment for the sale of the subject property that did not push through, a subject matter beyond the jurisdiction of the MTC to resolve and a relief more than what the MTC may award in an ejectment case.

Section 8, Rule 51 of the Rules provides:

Section 8. *Questions that may be decided.* – No error which does not affect the jurisdiction over the subject matter or the validity of the judgment appealed from or the proceedings therein will be considered unless stated in the assignment of errors, or closely related to or dependent on an assigned error and properly argued in the brief, save as the court may pass upon plain errors and clerical errors.⁴⁶

As a rule, a judgment of a court upon a subject within its general jurisdiction, which is not before it by any statement or claim of the parties, and is foreign to the issues submitted for its determination, is a nullity.⁴⁷ No error which was not assigned and argued may be considered unless such error is closely related to or dependent on an assigned error or it affects the jurisdiction over the subject matter on the validity of the judgment.⁴⁸ We have settled that the courts have ample authority to rule on matters not raised by the parties in their pleadings if such issues are indispensable or necessary to the just and final resolution of the pleaded issues.⁴⁹ In *Insular Life Assurance Co., Ltd. Employees' Association v. Insular Life Assurance Co., Ltd.*,⁵⁰ it was explained that:

The Supreme Court has ample authority to review and resolve matters not assigned and specified as errors by either of the parties in the appeal **if it finds the consideration and determination of the same essential and indispensable in order to arrive at a just decision in the case.** This Court, thus, has the authority to waive the lack of proper assignment of errors if the unassigned errors closely relate to errors properly pinpointed out or if the unassigned errors refer to matters upon which the determination of the questions raised by the errors properly assigned depend.

The same also applies to issues not specifically raised by the parties. The Supreme Court, likewise, has broad discretionary powers, in the resolution of a controversy, to take into consideration matters on record which the parties fail to submit to the Court as specific questions for determination. Where the issues already raised also rest on other issues not specifically presented, as long as the latter issues bear relevance and close relation to the former and as long as they arise from matters on record, the Court has the

⁴⁶ RULES OF COURT, Rule 51, Sec. 8.

⁴⁷ *Lam v. Chua*, 469 Phil. 852, 863-864 (2004).

⁴⁸ *Multi-Realty Development Corp. v. Makati Tuscan Condominium Corp.*, 524 Phil. 318, 335-336 (2006).

⁴⁹ *Hi-Tone Marketing Corp. v. Baikal Realty Corp.*, 480 Phil. 545 (2004).

⁵⁰ 166 Phil. 505, 518-519 (1977).

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authority to include them in its discussion of the controversy as well as to pass upon them. In brief, in **those cases wherein questions not particularly raised by the parties surface as necessary for the complete adjudication of the rights and obligations of the parties and such questions fall within the issues already framed by the parties, the interests of justice dictate that the Court consider and resolve them.**⁵¹ (Citations omitted; emphasis supplied)

In this case, the resolution of the propriety of the reliefs awarded by the MTC in a related ejectment case, which appears to not be among the permissible reliefs the MTC may award, is indispensable and crucial to the determination of the rights and liabilities of Reburiano and Jojit. Thus, the Court is accorded a broad discretionary power to waive the lack of proper assignment of errors and to consider errors not assigned, including those affecting jurisdiction over the subject matter.

Under Section 17, Rule 70 of the Rules, if after the trial, the MTC finds that the allegations of the complaint for ejectment are true, the reliefs that may be granted to the plaintiff in the judgment are limited only to the following: (1) restitution of the premises; (2) the sum justly due as arrears of rent or as a reasonable compensation for the occupation and use of the premises; (3) attorney's fees; and (4) costs.⁵² Any monetary award beyond what is permissible under the Rules is beyond the jurisdiction of the MTC.

Former Chief Justice Moran described the nature of damages that may be recovered in an ejectment case as follows:

But what is the character of these damages? Since the only issue in actions for forcible entry and detainer is physical possession, the damages which plaintiff is entitled to are such as he may have sustained as a mere possessor. Material possession involves only the enjoyment of the thing possessed, its uses and the collection of its fruits, and these are the only benefits which the possessor is deprived of in losing his possession. In other words, **plaintiff is entitled only to those damages which are caused by his loss of the use and occupation of the property**, and not to such damages as are caused to the land or building during the unlawful possession, which he may recover only if he were the owner of the property, and he cannot be declared as such in an action for forcible entry and detainer. Damages to property may be recovered only by the owner in an ordinary action.⁵³ (Emphasis supplied)

This description is instructive in determining the nature of monetary award that may be granted and remains applicable in the present rules governing ejectment cases and limits the monetary award in ejectment cases to losses incurred for the use and occupation of the property.

⁵¹ Id.

⁵² RULES OF COURT, Rule 70, Sec. 17.

⁵³ 2 Moran, Comments on the Rules of Court, 1957 ed., p. 301, cited in *Reyes v. Court of Appeals* 148 Phil. 135, 146 (1971).

Noticeably, Section 17, Rule 70 of the Rules is silent with regard to the restitution of money received as down payment for the sale of the subject property as it only mentions restitution of the premises. A monetary claim other than those specifically enumerated in Section 17, Rule 70 of the Rules is not recoverable in an ejectment case. The MTC cannot arrogate unto itself the authority to implement the rescission of the purchase agreement by ordering the return of the US\$20,000.00 less reasonable compensation for the use and occupation of the property. This is because the subject matter that may be resolved by the MTC in an ejectment case pertains only to the actual physical possession of the subject property. It does not include the propriety and subsequent implementation of an undertaking to rescind the purchase agreement between the parties. Neither can be considered a monetary award for loss incurred for the use and occupation of the property. Thus, in Civil Case No. 880-AF(04), the MTC committed a grave error in implementing the rescission of the purchase agreement by ordering the return of the US\$20,000.00 less reasonable compensation for the use and occupation of the property.

The grounds for annulment of judgment are: (1) extrinsic fraud,⁵⁴ (2) lack of jurisdiction,⁵⁵ and (3) denial of due process.⁵⁶ Lack of jurisdiction, as a ground for annulment of judgment, refers to either lack of jurisdiction over the person of the defending party or over the subject matter of the claim. It is settled that a final and executory judgment may still be set aside if, upon mere inspection thereof, its patent nullity can be shown for having been issued without jurisdiction.⁵⁷

It is the Court's duty to correct the glaring error committed by the MTC that was not raised by any of the parties. The MTC went beyond its jurisdiction in ordering the restitution of the US\$20,000.00 down payment received from Ruth as consideration for the purchase of the property less reasonable compensation for her use of the same. Applying the discretionary power of the Court, We deem it proper to declare the pertinent portion of the Amended Decision of the MTC dated July 27, 2006 beyond the jurisdiction of the MTC and void.

Nonetheless, in the interest of judicial economy, the complaint filed before the RTC may be treated as an action for annulment of judgment rather than for quieting of title. This will avoid multiplicity of actions and save the litigants and the Court their resources. Section 10, Rule 47 of the Rules requires that an action to annul a judgment or final order of an MTC shall be filed in the RTC having jurisdiction over the former.

In *Sebastian v. Spouses Cruz*,⁵⁸ We held that:

⁵⁴ RULES OF COURT, Rule 47, Sec. 2.

⁵⁵ Id.

⁵⁶ *Diona v. Balangue*, 701 Phil. 19, 30-31 (2013).

⁵⁷ Id.

⁵⁸ 807 Phil. 738, 743 (2017).

x x x [T]he prevailing rule is that where there is want of jurisdiction over a subject matter, the judgment is rendered null and void. A void judgment is in legal effect no judgment, by which no rights are divested, from which no right can be obtained, which neither binds nor bars any one, and under which all acts performed and all claims flowing out are void. It is not a decision in contemplation of law and, hence, it can never become executory. It also follows that such a void judgment cannot constitute a bar to another case by reason of *res judicata*.⁵⁹ (Italics in the original)

Considering that the Amended Decision of the MTC is partially void, it cannot be the basis for the issuance of the Writ of Execution, Notice of Levy Upon Judgment and Certificate of Sale. The Writ of Execution, which stemmed from the partially void judgment of the MTC and gave rise to the sale of the property in an auction, is likewise partially void insofar as it enforces the rescission of the purchase agreement by awarding the sum of US\$20,000.00 less the reasonable compensation for Jojit's use and occupancy of the subject property. Hence, the Register of Deeds of Rizal is ordered to cancel the Notice of Levy Upon Real Property and the Certificate of Sale annotated on TCT No. 540832.

While it was erroneous for Reburiano to file a complaint for quieting of title instead of a petition for annulment of judgment, her intention in filing the complaint is clear. Reburiano's purpose is to question the partially void judgment of the MTC. In the interest of justice and equity, and in keeping with the policy of the State to promote speedy and impartial justice and unclog court dockets, the complaint for quieting of title Reburiano filed with the intention of assailing the partially void judgment of the MTC shall be considered a petition for annulment of judgment pursuant to Rule 47 of the Rules. Rather than duplicating the efforts of the parties and the court in trying the issues together in another action, the Court hereby resolves the issues raised and awards what rightfully belongs to each party in the interest of judicial economy.

Article 22 of the Civil Code provides:

Article 22. Every person who through an act of performance by another, or any other means, acquires or comes into possession of something at the expense of the latter without just or legal ground, shall return the same to him.

Pursuant to the principle of unjust enrichment, the amount of US\$20,000.00, which constitutes the undisputed amount Reburiano received from Ruth as down payment for the sale of the subject property worth US\$60,000.00 that did not materialize, should be returned to Ruth in exchange for the subject property. Although the parties did not enter into a lease agreement, a forced lease was created. Thus, the occupant, Jojit, is still liable

⁵⁹ Id.

to pay rent to the property owner, Reburiano, as a result of the forced lease created by the former's use and occupation of the latter's property.⁶⁰

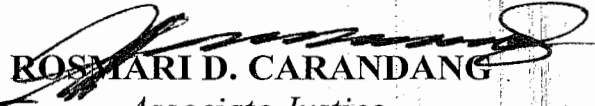
Accordingly, Jojit should be made liable for damages in the form of rent or reasonable compensation equivalent to ₱10,000.00 per month for the occupation of the property from January 17, 2004, the date he and Ruth reneged on their obligation to vacate the property despite their agreement to rescind the purchase agreement,⁶¹ up to November 10, 2006, the date when Jojit and Ruth allegedly abandoned the premises.⁶² Considering that Reburiano had already received a down payment of US\$20,000.00, the reasonable rent shall be deducted from the amount that Reburiano shall return to Jojit in exchange for the subject property. Therefore, the Court shall implement the restitution of the US\$20,000.00 less reasonable rent for the use and occupation of the property, and ownership of the subject property between the parties.

WHEREFORE, the Decision dated July 13, 2018 and the Resolution dated November 23, 2018 of the Court of Appeals in CA-G.R. CV No. 108629 are **SET ASIDE**.

Ruth De Vera, as represented by respondent Augustus "Jojit" De Vera, is **ORDERED** to pay reasonable rent in arrears for the use and occupation of the property covered by Transfer Certificate of Title No 540832 in the amount of ₱10,000.00 per month from January 17, 2004 to November 10, 2006. This amount shall be deducted from the US\$20,000.00 petitioner Araceli Reburiano shall **RETURN** to respondent Augustus "Jojit" De Vera. In turn, respondent Augustus "Jojit" De Vera is **ORDERED** to return the ownership of the property covered by Transfer Certificate of Title No. 540832 to petitioner Araceli Reburiano.

The Amended Decision dated July 27, 2006 of the Municipal Trial Court of Cainta, Rizal docketed as Civil Case No. 880-AF(04) is **DECLARED** partially **NULL** and **VOID** for lack of jurisdiction. Accordingly, the Writ of Execution, Notice of Levy Upon Judgment, and Certificate of Sale on Transfer Certificate of Title No. 540832 are **DECLARED NULL** and **VOID**. The Register of Deeds of Rizal is **ORDERED** to cancel the Notice of Levy Upon Real Property and the Certificate of Sale annotated on Transfer Certificate of Title No. 540832.

SO ORDERED.

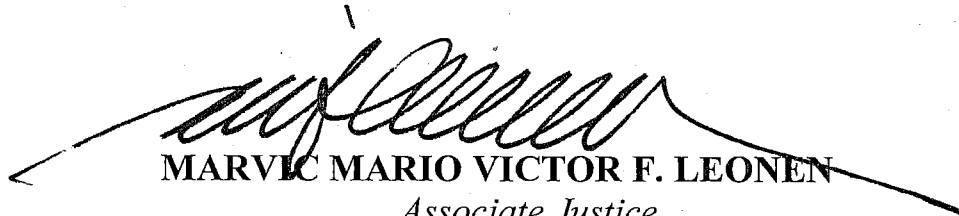

ROSMARI D. CARANDANG
Associate Justice

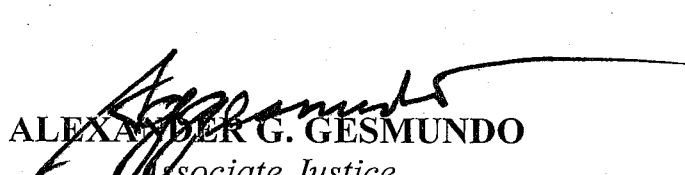
⁶⁰ *Muller v. Philippine National Bank*, G.R. No. 215922, October 1, 2018.

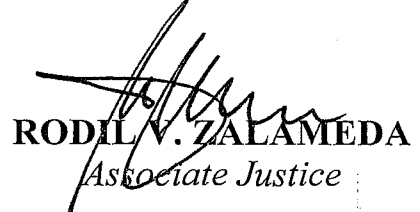
⁶¹ *CA rollo*, p. 82.

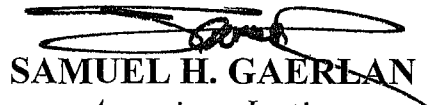
⁶² *Id.* at 85.

WE CONCUR:


MARVIC MARIO VICTOR F. LEONEN
Associate Justice



ALEXANDER G. GESMUNDO
Associate Justice


RODIL V. ZALAMEDA
Associate Justice


SAMUEL H. GAERLAN
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.


MARVIC MARIO VICTOR F. LEONEN
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify 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.



DIOSDADO M. PERALTA
Chief Justice

CERTIFIED TRUE COPY

Misael DC Batt
MISAEAL DOMINGO C. BATTUNG III
Division Clerk of Court
Third Division

JAN 13 2021