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and Parole also states that those convicted of offenses punishable by *reclusion perpetua* are disqualified for parole.

Lastly, the damages and civil indemnity awarded by the courts *a quo* were in accord with prevailing jurisprudence.[47]

WHEREFORE, all the foregoing considered, the Decision dated June 7, 2013 of the Court of Appeals in CA-G.R. CR-HC No. 00792-MIN is hereby **AFFIRMED** and **MODIFIED** to read:

Accused-appellant Gabriel Ducay *y* Balan is found **GUILTY** beyond reasonable doubt of **RAPE** and is sentenced to suffer the penalty of *reclusion perpetua* without eligibility for parole and ordered to pay victim AAA the amounts of ₱50,000.00 as civil indemnity, ₱50,000.00 as moral damages and ₱30,000.00 as exemplary damages. The award of damages shall earn legal interest at the rate of six percent (6%) *per annum* from the finality of this judgment until fully paid.

SO ORDERED.

Velasco, Jr. (Chairperson), Peralta, Villarama, Jr., and *Mendoza,*[*] *JJ.,* concur.

FIRST DIVISION

[G.R. No. 161589. November 24, 2014]

PENTA PACIFIC REALTY CORPORATION, *petitioner, vs.* **LEY CONSTRUCTION AND DEVELOPMENT CORPORATION,** *respondent.*

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[47] *Supra* note 29, at 186-187.

[*] Additional member per Raffle dated October 1, 2014 *vice* Associate Justice Francis H. Jardeleza.

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SYLLABUS

1. **REMEDIAL LAW; ACTIONS; REAL ACTIONS AFFECTING TITLE TO OR POSSESSION OF PROPERTY, OR INTEREST THEREIN; KINDS.—** There are three kinds of real actions affecting title to or possession of real property, or interest therein, namely: *accion de reivindicacion*, *accion publiciana* and *accion interdictal*. The first seeks the recovery of ownership as well as possession of realty. The second proposes to recover the right to possess and is a plenary action in an ordinary civil proceeding. The third refers to the recovery of physical or actual possession only (through a special civil action either for forcible entry or unlawful detainer). If the dispossession is not alleged to take place by any of the means provided by Section 1, Rule 70, *Rules of Court*, or, if the dispossession allegedly took place by any of such means but the action is not brought within one year from deprivation of possession, the action is properly a plenary action of *accion publiciana* or *accion de reivindicacion*. The explanation is simply that the disturbance of the peace and quiet of the local community due to the dispossession did not materialize; hence, the possessor thus deprived has no need for the summary proceeding of *accion interdictal* under Rule 70.

2. **ID.; ID.; ID.; OTHER THAN FORCIBLE ENTRY AND UNLAWFUL DETAINER, THE ASSESSED VALUE OF THE PROPERTY WHOSE POSSESSION OR OWERSHIP IS IN ISSUE DETERMINES JURISDICTION.—** The Municipal Trial Court (MTC) has exclusive original jurisdiction over *accion interdictal*. Until April 15, 1994, the MTC had no original jurisdiction over the other possessory actions. By such date, its jurisdiction was expanded to vest it with exclusive original jurisdiction over the other possessory actions of *accion publiciana* and *accion de reivindicacion* where the assessed value of the realty involved did not exceed ₱20,000.00, or, if the realty involved was in Metro Manila, such value did not exceed ₱50,000.00. x x x [T]he amendments have made the assessed value of the property whose possession or ownership is in issue, or the assessed value of the adjacent lots if the disputed land is not declared for taxation purposes determinative of jurisdiction. The allegation of the assessed value of the realty

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must be found in the complaint, if the action (other than forcible entry or unlawful detainer) involves title to or possession of the realty, including quieting of title of the realty. If the assessed value is not found in the complaint, the action should be dismissed for lack of jurisdiction because the trial court is not thereby afforded the means of determining from the allegations of the basic pleading whether jurisdiction over the subject matter of the action pertains to it or to another court. Courts cannot take judicial notice of the assessed or market value of the realty.

3. ID.; CIVIL PROCEDURE; JURISDICTION; THE RELIEFS TO WHICH THE PLAINTIFF IS ENTITLED BASED ON THE FACTS AVERRED, ALTHOUGH NOT THE RELIEFS DEMANDED, DETERMINE THE NATURE OF THE ACTION.— The settled rule is that the nature of the action as appearing from the averments in the complaint or other initiatory pleading determines the jurisdiction of a court; hence, such averments and the character of the relief sought are to be consulted. The court must interpret and apply the law on jurisdiction in relation to the averments of ultimate facts in the complaint or other initiatory pleading regardless of whether or not the plaintiff or petitioner is entitled to recover upon all or some of the claims asserted therein. The reliefs to which the plaintiff or petitioner is entitled based on the facts averred, although not the reliefs demanded, determine the nature of the action. The defense contained in the answer of the defendant is generally not determinant.

4. ID.; ID.; SPECIAL CIVIL ACTIONS; UNLAWFUL DETAINER; KINDS.— A suit for unlawful detainer is premised on Section 1, Rule 70, 1997 *Rules of Civil Procedure*, of which there are two kinds, namely: (1) that filed against a tenant, and (2) that brought against a vendee or vendor, or other person unlawfully withholding possession of any land or building after the expiration or termination of the right to hold possession by virtue of any contract, express or implied.

5. ID.; ACTIONS; FORCIBLE ENTRY OR UNLAWFUL DETAINER AND *ACCION PUBLICIANA* OR *ACCION REIVINDICATORIA*, DISTINGUISHED.— "In an action for forcible entry or unlawful detainer, the main issue is possession *de facto*, independently of any claim of ownership or possession *de jure* that either party may set forth in his pleading." The

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plaintiff must prove that it was in prior physical possession of the premises until it was deprived thereof by the defendant. The principal issue must be possession *de facto*, or actual possession, and ownership is merely ancillary to such issue. The summary character of the proceedings is designed to quicken the determination of possession *de facto* in the interest of preserving the peace of the community, but the summary proceedings may not be proper to resolve ownership of the property. Consequently, any issue on ownership arising in forcible entry or unlawful detainer is resolved only provisionally for the purpose of determining the principal issue of possession. On the other hand, regardless of the actual condition of the title to the property and whatever may be the character of the plaintiff's prior possession, if it has in its favor priority in time, it has the security that entitles it to remain on the property until it is lawfully ejected through an *accion publiciana* or *accion reivindicatoria* by another having a better right.

6. ID.; CIVIL PROCEDURE; SPECIAL CIVIL ACTIONS; UNLAWFUL DETAINER; REQUISITES.— In unlawful detainer, the complaint must allege the cause of action according to the manner set forth in Section 1, Rule 70 of the *Rules of Court* x x x. The complaint must further allege the plaintiff's compliance with the jurisdictional requirement of demand as prescribed by Section 2, Rule 70 of the *Rules of Court* x x x. For the action to come under the exclusive original jurisdiction of the MTC, therefore, the complaint must allege that: (*a*) the defendant originally had lawful possession of the property, either by virtue of a contract or by tolerance of the plaintiff; (*b*) the defendant's possession of the property eventually became illegal or unlawful upon notice by the plaintiff to the defendant of the expiration or the termination of the defendant's right of possession; (*c*) the defendant thereafter remained in possession of the property and thereby deprived the plaintiff the enjoyment thereof; and (*d*) the plaintiff instituted the action within one year from the unlawful deprivation or withholding of possession.

7. ID.; ID.; ID.; ID.; THE ISSUE OF RIGHTFUL POSSESSION IS DECISIVE, FOR THE DEFENDANT IS IN ACTUAL POSSESSION AND THE PLAINTIFF'S CAUSE OF ACTION IS THE TERMINATION OF THE DEFENDANT'S RIGHT TO CONTINUE IN POSSESSION.— In unlawful detainer, the possession was

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originally lawful but became unlawful by the expiration or termination of the right to possess; hence, the issue of rightful possession is decisive for, in the action, the defendant is in actual possession and the plaintiff's cause of action is the termination of the defendant's right to continue in possession. A defendant's claim of possession *de jure* or his averment of ownership does not render the ejectment suit either *accion publiciana* or *accion reivindicatoria*. The suit remains an *accion interdictal*, a summary proceeding that can proceed independently of any claim of ownership. Even when the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership is to be resolved only to determine the issue of possession.

APPEARANCES OF COUNSEL

Singson Valdez & Associates for petitioner.
Teresita Gandionco Oledan for respondent.

D E C I S I O N

BERSAMIN, *J.*:

Jurisdiction over the subject matter of an action is determined from the allegations of the initiatory pleading.

The Case

Under review is the decision promulgated on October 9, 2003,[1] whereby the Court of Appeals (CA) affirmed the judgment rendered on June 10, 2002 by the Regional Trial Court (RTC), Branch 58, in Makati City[2] nullifying for lack of jurisdiction the decision rendered on January 12, 2000 by the Metropolitan Trial Court (MeTC), Branch 64, in Makati City.[3]

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[1] *Rollo*, pp. 28-34; penned by Associate Justice B.A. Adefuin-de la Cruz (retired), and concurred in by Associate Justice Eliezer R. de los Santos (retired/deceased) and Associate Justice Jose C. Mendoza (now a Member of this Court).

[2] *Id.* at 54-67; penned by Judge Winlove M. Dumayas.

[3] *Id.* at 80-87; penned by Judge Cesar D. Santamaria.

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Antecedents

The petitioner owned the 25th floor of the Pacific Star Building located in Makati City with an area of 1,068.67 square meters. The respondent leased 444.03 square meters of the premises (subject property) through the petitioner's authorized agent, Century Properties Management, Inc. (Century Properties). Under the terms of the contract of lease dated January 31, 1997, the petitioner gave the respondent possession of the subject property under a stipulation to the effect that in case of the respondent's default in its monthly rentals, the petitioner could immediately repossess the subject property.

On March 19, 1997, the respondent expressed the intention to purchase the entire 1,068.67 square meters, including the subject property. The parties executed a contract to sell, denominated as a reservation agreement, in which they set the purchase price at US$3,420,540.00, with the following terms of payment: 20% down payment equivalent of US$684,108.00 payable within eight months; and US$85,513.00/monthly for eight months with interest of 9.75%, commencing on the 6th month. The 80% balance was to be paid in 13 installments beginning on March 1, 1997 until March 1, 1998. The reservation agreement contained the following cancellation or forfeiture provision, *viz*:

> Any failure on [the respondent's] part to pay the full downpayment, or deliver the post-dated checks or pay the monthly amortization on the due date, shall entitle [the petitioner], at its option, to impose a penalty interest at the rate of three percent (3%) per month on the outstanding balance or to cancel this agreement without need of any court action and to forfeit, in its favor, any reservation deposits or payments already made on the unit, without prior notice.[4]

After paying US$538,735.00, the respondent stopped paying the stipulated monthly amortizations. An exchange of letters ensued between Janet C. Ley, President of the respondent, or Efren Yap, Assistant to the President of the respondent, on one

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[4] *Id*. at 109.

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hand, and Jose B.E. Antonio, Vice-Chairman of the petitioner, and the petitioner's counsel, Atty. Reynaldo Dizon, on the other.

In the September 23, 1997 letter,[5] the respondent asked the petitioner to modify the terms of the reservation agreement to allow it to purchase only the subject property. In the February 5, 1998 letter,[6] the petitioner's counsel reminded the respondent of its US$961,546.50 liability to the petitioner under the terms of the reservation agreement. In another letter dated February 5, 1998,[7] the petitioner's counsel informed the respondent of its failure to pay its amortizations since August 1997, and demanded the payment of US$961,564.50.

Through its letter of February 17, 1998,[8] the respondent submitted the following proposals, namely: (1) that the US$538,735.00 paid under the reservation agreement be applied as rental payments for the use and occupation of the subject property in the period from March 1997 to February 28, 1998; (2) that the balance of US$417,355.45 after deducting the rental payments from March 1997 to February 28, 1998 should be returned to it; and (3) that the respondent be allowed to lease the subject property beginning March 1998.

The petitioner, through its counsel's letter of March 9, 1998,[9] rejected the respondent's proposals, and demanded the payment of US$3,310,568.00, representing the respondent's unpaid balance (as of March 2, 1998) under the reservation agreement. The petitioner further evinced its intention to cancel the contract to sell, and to charge the respondent for the rentals of the subject property corresponding to the period from August 1997 to March 1998, during which no amortization payments were made.

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[5] *Id.* at 110-111.

[6] *Id.* at 112-113.

[7] *Id.* at 181-182.

[8] *Id.* at 114-115.

[9] *Id.* at 116-117.

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In the letter dated February 4, 1999,[10] the petitioner's counsel informed the respondent of the cancellation of the reservation agreement and the forfeiture of the respondent's payments; and demanded that respondent pay the rentals of ₱9,782,226.50 and vacate the subject property.

In its letter of May 25, 1999,[11] the petitioner's counsel wrote to the respondent thuswise:

> We write in behalf of our client, Penta Pacific Realty Corporation, regarding the Reservation Agreement and/or sale between you and our client over the latter's unit located at the 25th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City.
>
> We regret to inform you that in view of your continued refusal and/or failure to pay to our client the balance of the agreed-upon purchase price of the office unit you are currently occupying, our client is constrained to make a notarial cancellation of the Reservation Agreement and/or sale of the above-mentioned unit and to forfeit the payments you made in favor of our client.
>
> In this connection, there is no more valid reason for you to continue occupying the subject premises. Hence, final and formal demand is hereby made upon you to peacefully and quietly vacate the same within ten (10) days from receipt hereof. Otherwise, we shall be constrained to file the appropriate legal action to protect our client's interests.
>
> Lastly, we would like to inform you that our client will also be constrained to charge you the amount of ₱9,782,226.50 corresponding to reasonable rentals and other charges as of January 22, 1999.
>
> Trusting that you are guided accordingly.

On July 9, 1999, the petitioner filed the complaint for ejectment in the MeTC following the respondent's failure to comply with the demands to pay and vacate.

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[10] *Id*. at 118-119.

[11] *Id*. at 120-121.

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The respondent resisted the complaint,[12] arguing that the contract of lease dated January 31, 1997 had been simulated or, in the alternative, had been repealed, negated, extinguished and/or novated by the reservation agreement; that the petitioner had failed to observe its undertaking to allow the respondent to collect rentals from the other lessees of the subject property; that the petitioner had unjustifiably refused to renegotiate or to amend the reservation agreement; and that the petitioner had violated the rule on non-forum shopping considering the pendency of another case between the parties in Branch 57 of the RTC in Makati City.[13]

Decision of the MeTC

On January 12, 2000, the MeTC, ruling in favor of the petitioner, found that the respondent's lawful possession of the property had been by virtue of the contract of lease, but had become unlawful when the respondent had failed to comply with its obligation to pay the monthly rentals for the subject property; and that, in any event, the reservation agreement proved that the petitioner had held the better right to possess the subject property as the owner thereof. The MeTC disposed:

> WHEREFORE, judgment is rendered ordering defendant Ley Construction and Development Corporation and all persons claiming rights under it to vacate and surrender the possession of the Property to the plaintiff; to pay the sum of ₱32,456,953.06 representing unpaid rentals and other charges as of June 23, 1999; the further amount of ₱443,741.38 starting July 1999, and the same amount every month thereafter as reasonable compensation for the continued and illegal use and occupancy of the Property, until finally restituted to the plaintiff; the sum of ₱100,000.00 for as (sic) attorney's fees plus cost of suit.[14]

The respondent appealed to the RTC.

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[12] *Id*. at 125-126.

[13] *Id*. at 83.

[14] *Id*. at 87.

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In the meantime, on November 6, 2001, the respondent turned over the possession of the leased premises to the petitioner.

Judgment of the RTC

On June 10, 2002, the RTC rendered its judgment nullifying the MeTC's decision on the ground of lack of jurisdiction, holding that the appropriate action was either *accion publiciana* or *accion reivindicatoria* over which the MeTC had no jurisdiction. It found that the basis of recovery of possession by the petitioner was the respondent's failure to pay the amortizations arising from the violations of the reservation agreement; that the complaint did not specifically aver facts constitutive of unlawful detainer, *i.e.*, it did not show how entry had been effected and how the dispossession had started; and that the requirement of formal demand had not been complied with by the petitioner.

Decision of the CA

The petitioner appealed to the CA.

By its decision promulgated on October 9, 2003, the CA affirmed the judgment of the RTC,[15] declaring that the respondent's possession was not by virtue of the contract of lease but pursuant to the reservation agreement, which was more of a "contract of sale."[16] It concluded that the petitioner's action was not unlawful detainer, but another kind of action for the recovery of possession.[17]

Not in agreement with the decision of the CA, the petitioner filed the present petition.

Issue

The decisive question is whether the complaint was for unlawful detainer, or *accion publiciana*, or *accion reivindicatoria*.

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[15] *Supra* note 1.

[16] *Id*.

[17] *Id*.

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The petitioner submits that the MeTC had jurisdiction because its complaint made out a clear case of unlawful detainer, emphasizing that the basis of the complaint was the failure of the respondent to pay the stipulated monthly rentals under the revived contract of lease; that even if the cause of action was upon the nonpayment of the purchase price under the reservation agreement, the MeTC still had jurisdiction over the action because an unlawful detainer case could also arise from a vendor-vendee relationship; and that, accordingly, the nonpayment of rentals or of the purchase price sufficiently established its better right to possess the subject property.

In contrast, the respondent maintains that it had not violated any existing contract of lease with the petitioner because the contract of lease dated January 31, 1997 was based on the agreement between the respondent and Century Properties; that it had entered into the possession of the subject property as the buyer-owner pursuant to the reservation agreement; and that the recovery of possession should have been by *accion publiciana* or *accion reivindicatoria*, not unlawful detainer.

Ruling

The appeal has merit.

1.

Kinds of Possessory Actions

There are three kinds of real actions affecting title to or possession of real property, or interest therein, namely: *accion de reivindicacion*, *accion publiciana* and *accion interdictal*. The first seeks the recovery of ownership as well as possession of realty.[18] The second proposes to recover the right to possess and is a plenary action in an ordinary civil proceeding.[19] The third refers to the recovery of physical or actual possession only (through a special civil action either for forcible entry or unlawful detainer).

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[18] *Bishop of Cebu v. Mangaron*, 6 Phil. 286, 290-291 (1906).

[19] *Lagumen v. Abasolo*, 94 Phil. 455, 456 (1954).

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If the dispossession is not alleged to take place by any of the means provided by Section 1,[20] Rule 70, *Rules of Court*, or, if the dispossession allegedly took place by any of such means but the action is not brought within one year from deprivation of possession, the action is properly a plenary action of *accion publiciana* or *accion de reivindicacion*. The explanation is simply that the disturbance of the peace and quiet of the local community due to the dispossession did not materialize; hence, the possessor thus deprived has no need for the summary proceeding of *accion interdictal* under Rule 70.

The Municipal Trial Court (MTC) has exclusive original jurisdiction over *accion interdictal*. Until April 15, 1994, the MTC had no original jurisdiction over the other possessory actions. By such date, its jurisdiction was expanded to vest it with exclusive original jurisdiction over the other possessory actions of *accion publiciana* and *accion de reivindicacion* where the assessed value of the realty involved did not exceed ₱20,000.00, or, if the realty involved was in Metro Manila, such value did not exceed ₱50,000.00. The expansion of jurisdiction was by virtue of the amendment by Section 1 of Republic Act No. 7691[21] to make Section 19 of *Batas Pambansa Blg*. 129 pertinently provide thusly:

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[20] Section 1. *Who may institute proceedings, and when*. — Subject to the provisions of the next succeeding section, a person deprived of the possession of any land or building by force, intimidation, threat, strategy, or stealth, or a lessor, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such lessor, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper Municipal Trial Court against the person or persons unlawfully withholding or depriving of possession, or any person or persons claiming under them, for the restitution of such possession, together with damages and costs. (1a)

[21] *An Act Expanding The Jurisdiction Of The Metropolitan Trial Courts, Municipal Trial Courts, And Municipal Circuit Trial Courts, Amending For The Purpose Batas Pambansa Blg. 129, Otherwise Known As The "Judiciary Reorganization Act Of 1980"*

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Section 19. *Jurisdiction in civil cases*. — Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x x x x x x x

(2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds Twenty thousand pesos (₱20,000.00) or, for civil actions in Metro Manila, where such value exceeds Fifty thousand pesos (₱50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;

x x x x x x x x x

Section 3 of Republic Act No. 7691 similarly revised Section 33 of *Batas Pambansa Blg*. 129 (the provision defining the exclusive original jurisdiction of the MTC over civil actions) to make the latter provision state, pertinently, thus:

Section 33. *Jurisdiction of Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in Civil Cases*. — Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:

x x x x x x x x x

(3) Exclusive original jurisdiction in all civil actions which involve title to, or possession of, real property, or any interest therein where the assessed value of the property or interest therein does not exceed Twenty thousand pesos (₱20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty thousand pesos (₱50,000.00) exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs: Provided, That in cases of land not declared for taxation purposes, the value of such property shall be determined by the assessed value of the adjacent lots.

x x x x x x x x x

As can be seen, the amendments have made the assessed value of the property whose possession or ownership is in issue, or the assessed value of the adjacent lots if the disputed land is not declared for taxation purposes determinative of jurisdiction. The allegation of the assessed value of the realty must be found in the complaint, if the action (other than forcible entry or unlawful

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detainer) involves title to or possession of the realty, including quieting of title of the realty. If the assessed value is not found in the complaint, the action should be dismissed for lack of jurisdiction because the trial court is not thereby afforded the means of determining from the allegations of the basic pleading whether jurisdiction over the subject matter of the action pertains to it or to another court. Courts cannot take judicial notice of the assessed or market value of the realty.[22]

2.

MeTC had jurisdiction over the complaint of the petitioner

The settled rule is that the nature of the action as appearing from the averments in the complaint or other initiatory pleading determines the jurisdiction of a court; hence, such averments and the character of the relief sought are to be consulted.[23] The court must interpret and apply the law on jurisdiction in relation to the averments of ultimate facts in the complaint or other initiatory pleading regardless of whether or not the plaintiff or petitioner is entitled to recover upon all or some of the claims asserted therein.[24] The reliefs to which the plaintiff or petitioner is entitled based on the facts averred, although not the reliefs demanded, determine the nature of the action.[25] The defense contained in the answer of the defendant is generally not determinant.[26]

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[22] *Quinagoran v. Court of Appeals*, G.R. No. 155179, August 24, 2007, 531 SCRA 104, 115.

[23] *Banayos v. Susana Realty, Inc.*, No. L-30336, June 30, 1976, 71 SCRA 557, 561; *Pasagui v. Villablanca*, No. L-21998, November 10, 1975, 68 SCRA 18, 20; *Arcaya v. Teleron*, 57 SCRA 363.

[24] *Abrin v. Campos*, G.R. No. 52740, November 12, 1991, 203 SCRA 420, 423; *Republic v. Estenzo*, No. L-35512, February 29, 1988, 158 SCRA 282, 285.

[25] *Mariategui v. Court of Appeals*, G.R. No. 57062, 205 SCRA 337, 343; *Baguioro v. Barrios*, 77 Phil. 120, 123 (1946).

[26] *Chico v. Court of Appeals*, G.R. No. 122704, January 5, 1998, 284 SCRA 33; *Malayan Integrated Industries Corporation v. Mendoza*, No. 75238, September 30, 1987, 154 SCRA 548, 552.

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Is this present action one for unlawful detainer?

A suit for unlawful detainer is premised on Section 1, Rule 70, 1997 *Rules of Civil Procedure*, of which there are two kinds, namely: (1) that filed against a tenant, and (2) that brought against a vendee or vendor, or other person unlawfully withholding possession of any land or building after the expiration or termination of the right to hold possession by virtue of any contract, express or implied.

"In an action for forcible entry or unlawful detainer, the main issue is possession *de facto*, independently of any claim of ownership or possession *de jure* that either party may set forth in his pleading."[27] The plaintiff must prove that it was in prior physical possession of the premises until it was deprived thereof by the defendant.[28] The principal issue must be possession *de facto*, or actual possession, and ownership is merely ancillary to such issue. The summary character of the proceedings is designed to quicken the determination of possession *de facto* in the interest of preserving the peace of the community, but the summary proceedings may not be proper to resolve ownership of the property. Consequently, any issue on ownership arising in forcible entry or unlawful detainer is resolved only provisionally for the purpose of determining the principal issue of possession.[29] On the other hand, regardless of the actual condition of the title to the property and whatever may be the character of the plaintiff's prior possession, if it has in its favor priority in time, it has the security that entitles it to remain on the property until it is lawfully ejected through an *accion publiciana* or *accion reivindicatoria* by another having a better right.[30]

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[27] *Caparros v. Court of Appeals*, 170 SCRA 758; *Alvir vs. Vera*, No. L-39338, July 16, 1984, 130 SCRA 357, 361.

[28] *Javelosa v. Court of Appeals*, G.R. No. 124292, December 10, 1996, 265 SCRA 493, 502-503; *Maddammu v. Judge*, 74 Phil. 230 (1943); *Aguilar v. Cabrera*, 74 Phil. 658, 665-666 (1944).

[29] *Refugia v. Court of Appeals*, G.R. No. 118284, July 5, 1996, 258 SCRA 347, 364-366.

[30] *German Management & Services, Inc. v. Court of Appeals*, G.R. Nos. 76216 & 76217, September 14, 1989, 177 SCRA 495.

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In unlawful detainer, the complaint must allege the cause of action according to the manner set forth in Section 1, Rule 70 of the *Rules of Court*, to wit:

> Section 1. *Who may institute proceedings, and when*. – Subject to the provisions of the next succeeding section, a person deprived of the possession of any land or building by force, intimidation, threat, strategy, or stealth, or a **lessor**, **vendor**, vendee, **or other person** against whom the possession of any land or building is **unlawfully withheld** after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such lessor, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper Municipal Trial Court against the person or persons unlawfully withholding or depriving of possession, or any person or persons claiming under them, for the restitution of such possession, together with damages and costs. (Emphasis supplied)

The complaint must further allege the plaintiff's compliance with the jurisdictional requirement of demand as prescribed by Section 2, Rule 70 of the *Rules of Court*, *viz*:

> Section 2. *Lessor to proceed against lessee only after demand.* — Unless otherwise stipulated, such action by the lessor shall be commenced only after demand to pay or comply with the conditions of the lease and to vacate is made upon the lessee, or by serving written notice of such demand upon the person found on the premises, or by posting such notice on the premises if no person be found thereon, and the lessee fails to comply therewith after fifteen (15) days in the case of land or five (5) days in the case of buildings.

For the action to come under the exclusive original jurisdiction of the MTC, therefore, the complaint must allege that: (*a*) the defendant originally had lawful possession of the property, either by virtue of a contract or by tolerance of the plaintiff; (*b*) the defendant's possession of the property eventually became illegal or unlawful upon notice by the plaintiff to the defendant of the expiration or the termination of the defendant's right of possession; (*c*) the defendant thereafter remained in possession of the property and thereby deprived the plaintiff the enjoyment thereof; and

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(*d*) the plaintiff instituted the action within one year from the unlawful deprivation or withholding of possession.[31]

The complaint herein sufficiently alleged all the foregoing requisites for unlawful detainer, to wit:

x x x x x x x x x

3. On January 31, 1997, the defendant and the plaintiff's authorized agent, Century Properties Management Inc. (CPMI), a corporation duly organized and existing under and by virtue of the laws of the x x x Philippines x x x entered into a Contract of Lease whereby the latter leased from the former a portion of the 25th Floor of the PSB (hereinafter referred to as the PROPERTY). x x x.

4. On March 19, 1997, the defendant decided to purchase from the plaintiff the 25th Floor of the PSB by virtue of a Reservation Agreement of the same date. x x x.

5. However, on August 1997, the defendant started to default in its amortization payments on the above-mentioned purchase. x x x.

x x x x x x x x x

8. Sometime in March 1999, the defendant requested from the plaintiff and CPMI that the Reservation Agreement be cancelled and in lieu thereof, the above-mentioned Contract of Lease be revived. The plaintiff and CPMI acceded to such request x x x.

9. However, contrary to the express provisions of the Contract of Lease, the defendant failed to pay to the plaintiff the rentals for the use of the PROPERTY when they fell due.

10. x x x the plaintiff also formally made a notarial cancellation of the aforementioned purchase and demanded that defendant peacefully vacate the PROPERTY. x x x.

11. However, despite such demand, the defendant has failed and/or refused and continues to refuse and fail to peacefully vacate the PROPERTY. x x x.[32]

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[31] *Delos Reyes v. Odones*, G.R. No. 178096, March 23, 2011, 646 SCRA 328, 334-335.

[32] *Rollo,* pp. 89-91.

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As earlier shown, the final letter dated May 25, 1999 of the petitioner's counsel demanded that the respondent vacate the subject property,[33] to wit:

> In this connection, there is no more valid reason for you to continue occupying the subject premises. Hence, final and formal demand is hereby made upon you to peacefully and quietly vacate the same within ten (10) days from receipt hereof. Otherwise, we shall be constrained to file the appropriate legal action to protect our client's interests.
>
> Lastly, we would like to inform you that our client will also be constrained to charge you the amount of ₱9,782,226.50 corresponding to reasonable rentals and other charges as of January 22, 1999.

After the demand went unheeded, the petitioner initiated this suit in the MeTC on July 9, 1999, well within the one-year period from the date of the last demand.

The aforequoted allegations of the complaint made out a case of unlawful detainer, vesting the MeTC with exclusive original jurisdiction over the complaint. As alleged therein, the cause of action of the petitioner was to recover possession of the subject property from the respondent upon the latter's failure to comply with the former's demand to vacate the subject property after the latter's right to remain thereon terminated by virtue of the demand to vacate. Indeed, the possession of the latter, although lawful at its commencement, became unlawful upon its non-compliance with the former's demand to vacate.

The jurisdiction of the MeTC was not ousted by the fact that what was ultimately proved as to how entry by the respondent had been made or when the dispossession had started might have departed from that alleged in the complaint. As earlier stated, jurisdiction over the subject matter was determined from the allegations of the complaint, which clearly set forth a cause of action for unlawful detainer.[34]

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[33] *Id.* at 120-121.

[34] *Canlas v. Tubil,* G.R. No. 184285, September 25, 2009, 601 SCRA 147, 158.

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The MeTC correctly exercised its authority in finding for the petitioner as the plaintiff. In unlawful detainer, the possession was originally lawful but became unlawful by the expiration or termination of the right to possess; hence, the issue of rightful possession is decisive for, in the action, the defendant is in actual possession and the plaintiff's cause of action is the termination of the defendant's right to continue in possession.[35]

A defendant's claim of possession *de jure* or his averment of ownership does not render the ejectment suit either *accion publiciana* or *accion reivindicatoria*. The suit remains an *accion interdictal*, a summary proceeding that can proceed independently of any claim of ownership.[36] Even when the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership is to be resolved only to determine the issue of possession.[37]

WHEREFORE, we **REVERSE** and **SET ASIDE** the decision promulgated on October 9, 2003 by the Court of Appeals affirming the decision rendered on June 10, 2002 by the Regional Trial Court of Makati City, Branch 58; **REINSTATE** the decision rendered on January 12, 2000 by the Metropolitan Trial Court, Branch 64, of Makati City; and **ORDER** the respondent to pay the costs of suit.

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Villarama, Jr.,[*] and *Perez, JJ.,* concur.

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[35] *Id*.

[36] *Diu v. Ibajan*, G.R. No. 132657, January 19, 2000, 322 SCRA 452, 458-459.

[37] Section 16, Rule 70, *Rules of Court;* see also *Wilmon Auto Supply Corp. v. Court of Appeals*, G.R. Nos. 97637 and 98700-01, April 10, 1992, 208 SCRA 108.

[*] *Vice* Associate Estela M. Perlas-Bernabe per Special Order dated November 4, 2014 .