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WHEREFORE, the petition is *DENIED* for lack of merit.

SO ORDERED.

Ynares-Santiago (Chairperson), Chico-Nazario, Nachura, and *Reyes, JJ.,* concur.

THIRD DIVISION

[G.R. No. 157806. November 22, 2007]

SPOUSES SHEIKDING BOOC and BILY BOOC, *petitioners, vs.* **FIVE STAR MARKETING CO., INC.,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; EVIDENCE; IN A CIVIL CASE, THE PARTY MUST ESTABLISH HIS CASE BY A PREPONDERANCE OF EVIDENCE; PREPONDERANCE OF EVIDENCE, DEFINED. — It is a basic rule in civil cases that the party having the burden of proof must establish his case by a preponderance of evidence. *Preponderance of evidence* simply means evidence which is of greater weight, or more convincing than that which is offered in opposition to it.

2. CIVIL LAW; TRUSTS; THE BURDEN OF PROVING ITS EXISTENCE IS ON THE PARTY ASSERTING IT. — As a rule, the burden of proving the existence of a trust is on the party asserting its existence and such proof must be clear and satisfactorily show the existence of the trust and its elements.

3. ID.; PROPERTY; OWNERSHIP; CERTIFICATE OF TITLE IS A CONCLUSIVE EVIDENCE OF OWNERSHIP; APPLICATION IN CASE AT BAR. — It is settled that a certificate of title is a conclusive evidence of ownership; it does not even matter if the title is questionable, the instant action being an ejectment

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suit. In addition, the age-old rule is that the person who has a Torrens Title over a land is entitled to possession thereof.

4. ID.; ID.; ID.; TAX DECLARATIONS ARE GOOD INDICIA OF POSSESSION IN THE CONCEPT OF OWNER. — As to the tax declarations over the property in the name of respondent, the rule is that while tax declarations or realty tax payments of property are not conclusive evidence of ownership, nevertheless, they are good indicia of possession in the concept of owner for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession. They constitute at least proof that the holder has a claim of title over the property. The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's *bona fide* claim of acquisition of ownership.

5. ID.; DAMAGES; ACTUAL DAMAGES; FAIR RENTAL VALUE, WHEN RECOVERABLE IN THE CONCEPT OF ACTUAL DAMAGES. — Fair rental value is recoverable in the concept of actual damages. Fair rental value is defined as the amount at which a willing lessee would pay and a willing lessor would receive for the use of a certain property, neither being under compulsion and both parties having a reasonable knowledge of all facts, such as the extent, character and utility of the property, sales and holding prices of similar land and the highest and best use of the property. The rental value refers to the value as ascertained by proof of how much the rent would be for the property or by evidence of other facts from which the fair rental value may be determined. Hence, the plaintiff must offer proof of such claim. Section 17, Rule 70 of the 1997 Rules of Civil Procedure, as amended, clearly provides that the trial court is empowered to award reasonable compensation for the use and occupation of the premises sought to be recovered in a forcible entry or unlawful detainer case only if the claim is true. This Court has held that a court may fix the reasonable amount of rent, but must still base its action on the evidence adduced by the parties.

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6. ID.; ID.; ID.; INTEREST ON RENTAL DUES, SUSTAINED. — The rental due respondent, being in the concept of actual or compensatory damages, shall earn interest in accordance with this Court's ruling in *Eastern Shipping Lines, Inc. v. Court of Appeals*, to wit: I. When an obligation, regardless of its source, *i.e.*, law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages. II. With regard particularly to an award of interest, in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows: 1. When the obligation is breached, and it consists in the payment of a sum of money, *i.e.*, a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, *i.e.*, from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code. 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged. 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

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APPEARANCES OF COUNSEL

Padilla and Padilla for petitioners.
Oliver T. Booc for respondent.

D E C I S I O N

AUSTRIA-MARTINEZ, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision[1] of the Court of Appeals (CA) dated September 30, 2002 and its Resolution of March 17, 2003 in CA-G.R. SP No. 64960.

On August 17, 1999, Five Star Marketing Co., Inc. (respondent) filed with the Municipal Trial Court in Cities (MTCC) of Iligan City a Complaint for unlawful detainer against the spouses Sheikding and Bily Booc (petitioners), pertinent portions of which read as follows:

x x x x x x x x x

2. That plaintiff is the owner of the land and building situated in Quezon Avenue, Iligan City;

3. That defendants are the present occupants of the 3rd floor premises of the building, who were allowed to live temporarily in the premises for free;

4. That on March 15, 1999 the plaintiff notified all building occupants that it had withdrawn the privilege granted (rental free) to them coupled with a notice of rental rates in each premises concerned, and further required to any interested occupants to negotiate and sign a lease agreement with plaintiff;

5. That the defendants were notified that the rental for the 3rd floor premises is ₱40,000.00 per month effective April 1, 1999, and if he desires to lease, he should enter a lease contract before such date;

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[1] Penned by Justice Eloy R. Bello, Jr. with the concurrence of Justices Buenaventura J. Guerrero and Juan Q. Enriquez, Jr.

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6. That plaintiff has given more than enough time for the defendants either to vacate or lease the said premises, but the latter still ignored the demand, so that on June 28, 1999, a letter of demand to vacate the premises was sent to the defendants;

7. That the defendants have failed and refused, and still fails and refuses, to vacate the premises up to the present time despite repeated demands;

x x x x x x x x x[2]

In their Answer,[3] petitioners contended that Five Star has no cause of action against them as they are actually the owners of the portion of the building that they are occupying; that the said property is owned in common by petitioner Sheikding and his brother, Rufino Booc; that the complaint for unlawful detainer is a mere offshoot of two complaints earlier filed before the Securities and Exchange Commission (SEC) in Cagayan de Oro City by Sheikding and his son James, the first of which is against the board of directors of Five Star, questioning, among others, the validity of the election of the members of the said board; and second, a criminal complaint for falsification of public documents against Salvador Booc, in his capacity as the President of Five Star. The spouses Booc filed a counterclaim for damages.

Thereafter, the parties filed their respective Position Papers.

On September 20, 2000, the MTCC of Iligan City, Branch II rendered a Decision, the dispositive portion of which reads as follows:

WHEREFORE, judgment is hereby rendered in favor of the defendants [herein petitioners] and against the plaintiff [herein respondent], dismissing the above-entitled case and ordering the plaintiff to pay the defendants the following sum of money:

a) ₱40,000.00 – As moral damages

b) 25,000.00 – As attorney's fee; and

c) 1,000.00 – As appearance fee.

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[2] Complaint, CA *rollo*, pp. 27-28.

[3] *Id*. at 30-33.

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The counterclaim for exemplary damages is denied for lack of merit.

SO ORDERED.[4]

Petitioners appealed to the Regional Trial Court (RTC) of Lanao del Norte. In its Decision dated April 6, 2001, the RTC of Lanao del Norte, Branch 5 affirmed with modification the assailed Decision of the MTCC. The dispositive portion of the RTC Decision reads:

WHEREFORE, premises considered, the following reliefs are granted:

a) The Court declares that plaintiff [herein respondent] has no cause of action against defendants [herein petitioners], hence the instant action is ordered dismissed. The same is true with the claim of plaintiff for damages registered in its pleading.

b) The moral damages and attorney's fees asserted by defendants are granted for this is sustained by the evidence on record, and in addition therefor exemplary damages is also awarded in favor of defendants and against the plaintiff in the conservative sum of Ten Thousand Pesos (₱10,000.00).

SO ORDERED.[5]

Aggrieved by the judgment of the RTC, respondent filed a petition for review with the CA. On September 30, 2002, the CA promulgated the presently assailed Decision, disposing as follows:

WHEREFORE, the instant petition is hereby GRANTED. The assailed decision of the Regional Trial Court, Branch V, Iligan City dated April 6, 2001 is hereby ANNULLED and SET ASIDE. It is therefore ORDERED that:

1. respondents [herein petitioners] and other persons claiming rights under them vacate the premises in question, and return the possession thereof to petitioner [herein respondent]; and

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[4] CA *rollo*, p. 52.

[5] *Id*. at 58-59.

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2. respondents pay the petitioner the amount of ₱40,000.00 for every month that they occupied the premises, beginning April 1999 until the same is surrendered to the petitioner.

SO ORDERED.[6]

The petitioners filed a Motion for Reconsideration but the same was denied by the CA in its Resolution of March 17, 2003.[7]

Hence, the instant petition with the following assignment of errors:

[1] The Court of Appeals erred in not dismissing the Petition filed before it as the herein respondent failed to attach to its petition pleadings and other material portions of the records to support the allegations in the petition.

[2] The Court of Appeals erroneously relied on evidence that were not presented by herein respondent at the MTCC but were only presented for the first time on appeal at the RTC.

[3] The Court of Appeals erred in holding that there is no evidence to prove the existence of the implied trust; and

[4] The Court of Appeals erred in directing the petitioners to pay rental at the exorbitant amount of ₱40,000.00 per month.[8]

Parties filed their respective Memoranda.[9]

The Court finds the petition partly meritorious.

The first assigned error is not plausible. The Court, in *Atillo v. Bombay*,[10] interpreted the provisions of Section 2(d), Rule 42 of the Rules of Court and ruled as follows:

The phrase "of the pleadings and other material portions of the record" in Section 2(d), Rule 42 is followed by the phrase "as would

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[6] CA *rollo*, p. 128.

[7] *Id.* at. 263-264.

[8] *Rollo*, p. 22.

[9] *Id.* at 331 and 426.

[10] 404 Phil. 179 (2001).

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support the allegations of the petition" clearly contemplates the exercise of discretion on the part of the petitioner in the selection of documents that are deemed to be relevant to the petition. However, while it is true that it is petitioner who initially exercises the discretion in selecting the relevant supporting documents that will be appended to the petition, it is the CA that will ultimately determine if the supporting documents are sufficient to even make out a *prima facie* case. It can be fairly assumed that the CA took pains in the case at bar to examine the documents attached to the petition so that it could discern whether on the basis of what have been submitted it could already judiciously determine the merits of the petition x x x[11]

Thus, in the present case, the Court finds no reversible error that can be attributed to the CA in choosing to proceed and decide the petition filed before it on the basis of what had been submitted by the parties.

The second assigned error is likewise untenable. Petitioners contend that the CA erred in relying on evidence that were presented by respondent for the first time when the case was appealed to the RTC. Petitioners refer to the Joint Affidavit,[12] dated December 1, 1999, executed by Teodora Abarca del Mar (Teodora) and Preciosa Abarca Talamera (Preciosa) repudiating their claim in their earlier Joint Affidavit,[13] dated November 18, 1999, that it was petitioner Sheikding and his brother Rufino who paid for the subject lot.

The Court agrees with petitioners that the Joint Affidavit of Teodora and Preciosa dated December 1, 1999 should not have been considered since the said document was only presented when the case was appealed to the RTC and was not previously filed with the MTCC in the original case.[14]

Nonetheless, the CA adequately explained in its presently assailed Resolution, denying petitioners' motion for reconsideration, that its Decision was arrived at not only on

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[11] *Id*. at 188.

[12] CA *rollo*, p. 60.

[13] *Rollo*, p. 49.

[14] *Corpin v. Vivar*, 389 Phil. 355, 363 (2000).

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the basis of the above-mentioned Joint Affidavit but after a consideration of other factors, to wit:

(a) that no evidence was adduced to prove that respondents purchased the lot, and constructed the building in question with their own money; and

(b) the subject lot was titled in the name of petitioner, and that both land and building are declared in the latter's name for purposes of taxation.[15]

The resolution of the third assigned error boils down to a determination of who between petitioners and respondent is entitled to the physical possession of the subject properties.

Both parties anchor their right of material possession of the disputed lot and building on their respective claims of ownership.

In *Arambulo v. Gungab*,[16] this Court held:

> The sole issue for resolution in an unlawful detainer case is physical or material possession. But even if there was a claim of juridical possession or an assertion of ownership by the defendant, the MTCC may still take cognizance of the case. All that the trial court can do is to make an initial determination of who is the owner of the property so that it can resolve who is entitled to its possession absent other evidence to resolve ownership. Courts in ejectment cases decide questions of ownership only as it is necessary to decide the question of possession. The reason for this rule is to prevent the defendant from trifling with the summary nature of an ejectment suit by the simple expedient of asserting ownership over the disputed property.[17]

In addition, it is a basic rule in civil cases that the party having the burden of proof must establish his case by a preponderance of evidence.[18]

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[15] *Rollo*, p. 338.

[16] G.R. No. 156581, September 30, 2005, 471 SCRA 640.

[17] *Arambulo v. Gungab*, *supra* note 16, at 649.

[18] *Montañez v. Mendoza*, 441 Phil. 47, 56 (2002).

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Preponderance of evidence simply means evidence which is of greater weight, or more convincing than that which is offered in opposition to it.[19]

In the present case, the Court finds no cogent reason to depart from the findings of the CA that respondent has proved, by preponderance of evidence, its claim that it is the owner of the disputed properties and, therefore, has the right of material possession over the same.

Petitioners' claim of co-ownership is anchored on their assertion that it was petitioner Sheikding together with Rufino who actually purchased the subject lot; that they were also the ones who financed the construction of the subject building; and that they paid the taxes due on the subject properties. Both the MTCC and the RTC gave credence to the allegations of petitioners.

In claiming that the subject lot and building were bought and constructed with the money of petitioner Sheikding and Rufino, petitioners, in effect, aver that respondent is merely holding the property in trust for them.

As a rule, the burden of proving the existence of a trust is on the party asserting its existence and such proof must be clear and satisfactorily show the existence of the trust and its elements.[20]

To prove that they are co-owners of the disputed lot, petitioners presented the Joint Affidavit[21] of Teodora and Preciosa, dated November 18, 1999, wherein they assert that petitioner Sheikding and Rufino paid for the subject lot. However, aside from the Joint Affidavit, no other competent evidence was presented to support petitioners' allegation of ownership of the lot in question.

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[19] *Id*.

[20] *Tigno v. Court of Appeals*, 345 Phil. 486, 499 (1997) citing *Morales v. Court of Appeals*, G.R. No. 117228, June 19, 1997, 274 SCRA 282, 300.

[21] See note 12.

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The Affidavit of Flordeliza D. Villaver[22] and the letters of Rufino Booc to Sheikding's son, James Booc (James), dated September 3, 1998[23] and October 16, 1998,[24] submitted by petitioners, diluted whatever evidentiary weight could have been assigned to the Joint Affidavit of Teodora and Preciosa. The Affidavit of Flordeliza and the letters of Rufino purportedly show that it was Rufino, and not respondent company, who rented out the first floor of the said building to James and to the Shooters and Guns Ammo Corporation, formerly known as De Leon Gun Store, the company where Flordeliza served as the Officer-in-Charge. However, these pieces of evidence could not be given credence in light of the established fact that Rufino served as the authorized representative of respondent company. Rufino's function as representative of respondent is proven by the Transfer Certificate of Title[25] and the Deed of Sale[26] of the subject lot and the Tax Declarations[27] covering the disputed lot and building. Hence, being the authorized representative of respondent, it is only normal that he is the one who enters into transactions involving the subject properties. Petitioners failed to present evidence that Rufino entered into a contract of lease with them in his personal capacity and not as representative of respondent.

Neither do the Official Receipts[28] evidencing petitioner Bily's payment of electric bills prove that petitioners are co-owners of the subject building. At best, these official receipts only show that petitioners are in possession of the subject property, which in this case, is undisputed.

Further, petitioners failed to present any tax declaration or payment of taxes due on the subject premises.

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[22] *Rollo*, p. 57.

[23] *Id*. at 70.

[24] *Id*. at 71.

[25] *Id*. at 91.

[26] *Id*. at 50.

[27] *Id*. at 72-73.

[28] *Rollo*, pp. 60 and 63.

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On the other hand, the following documents, some of which were presented in evidence by petitioners themselves, prove respondent's ownership of the disputed properties, to wit: Deed of Sale dated December 12, 1979,[29] Transfer Certificate of Title No. T-19209 (a.f.)[30] and Tax Declaration No. 94-16562[31] over the subject lot, Tax Declaration No. 94-23619[32] over the subject building, and Official Receipt Nos. 1092361 and 8812411[33] for the payment of real property tax, all of which are in respondent's name.

It is settled that a certificate of title is a conclusive evidence of ownership; it does not even matter if the title is questionable, the instant action being an ejectment suit.[34] In addition, the age-old rule is that the person who has a Torrens Title over a land is entitled to possession thereof.[35]

As to the tax declarations over the property in the name of respondent, the rule is that while tax declarations or realty tax payments of property are not conclusive evidence of ownership, nevertheless, they are good indicia of possession in the concept of owner for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession.[36] They constitute at least proof that the holder has a claim of title over the property.[37] The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other

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[29] *Id*. at 50.

[30] *Id*. at 91.

[31] *Id*. at 72.

[32] *Id*. at 73.

[33] *Id*. at 74-75.

[34] *Carreon v. Court of Appeals*, 353 Phil. 271, 282 (1998) citing *Dizon v. Court of Appeals*, 332 Phil. 429, 434 (1996).

[35] *Arambulo v. Gungab*, *supra* note 16, at 649.

[36] *Director of Lands v. Court of Appeals*, 367 Phil. 597, 604 (1999).

[37] *Id*. at 604.

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interested parties, but also the intention to contribute needed revenues to the Government.[38] Such an act strengthens one's *bona fide* claim of acquisition of ownership.[39]

On the basis of the foregoing, the Court finds no error in the ruling of the CA that the preponderance of evidence lies in favor of respondent's claim of ownership. Surely, the Deed of Sale, TCT, Tax Declarations and Official Receipts of tax payments in the name of respondent are more convincing than the evidence submitted by petitioners.

The Court stresses, however, that its determination of ownership in the instant case is not final. It is only a provisional determination for the sole purpose of settling the issue of possession.[40] **It would not bar or prejudice a separate action between the same parties involving the quieting of title to the subject property.**[41]

As to the last assigned error, petitioners contend that the monthly rental being charged by respondent is exorbitant considering that the rentals being paid by James for his use of one-half of the first floor of the disputed building from September 1995 to August 1998 is only ₱10,000.00. This is not disputed by respondent.

In its assailed ruling, the CA awarded the amount of ₱40,000.00 as monthly rental for petitioners' use and occupation of the premises, beginning April 1999 until the same is surrendered to respondent. The award granted by the CA is based on respondent's prayer in its complaint filed with the MTCC.

It must be stressed, however, that it was not enough for the respondent as plaintiff in the MTCC to make a claim for reasonable compensation for the use of its property. The respondent, as plaintiff therein, had the burden to prove its

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[38] *Id*.

[39] *Id*.

[40] *Rosa Rica Sales Center, Inc. v. Ong*, G.R. No. 132197, August 16, 2005, 467 SCRA 35, 50.

[41] *Id*.

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claim by a preponderance of evidence, which, as earlier defined, means evidence of greater weight or more convincing than that which is offered in opposition to it.

Fair rental value is recoverable in the concept of actual damages.[42] Fair rental value is defined as the amount at which a willing lessee would pay and a willing lessor would receive for the use of a certain property, neither being under compulsion and both parties having a reasonable knowledge of all facts, such as the extent, character and utility of the property, sales and holding prices of similar land and the highest and best use of the property.[43] The rental value refers to the value as ascertained by proof of how much the rent would be for the property or by evidence of other facts from which the fair rental value may be determined.[44] Hence, the plaintiff must offer proof of such claim.[45]

Section 17, Rule 70 of the 1997 Rules of Civil Procedure, as amended, clearly provides that the trial court is empowered to award reasonable compensation for the use and occupation of the premises sought to be recovered in a forcible entry or unlawful detainer case only if the claim is true. This Court has held that a court may fix the reasonable amount of rent, but must still base its action on the evidence adduced by the parties.[46]

In the present case, the CA made no ratiocination as to how it arrived at the amount of ₱40,000.00. In fact, a review of the evidence presented shows that there is no factual or evidentiary basis to sustain respondent's prayer in its complaint.

However, considering that there is no dispute that petitioners had been in possession of the subject properties since 1982, it

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[42] *Asian Transmission Corporation v. Canlubang Sugar Estates*, 457 Phil. 260, 289 (2003).

[43] *Id*. at 228.

[44] *Id*.

[45] *Id*. at 290.

[46] *Asian Transmission Corporation v. Canlubang Sugar Estates, supra* note 42, at 290.

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is only just and equitable that they pay a reasonable amount for their continued use and occupation of the disputed premises from the time a demand was made for them to vacate the said premises in April 1999 until the same is returned to respondent.

Considering the undisputed facts that until August 1998 the rental paid by James for one-half of the subject building's first floor was ₱10,000.00, making the rental for the entire first floor amount to ₱20,000.00, and the customary business practice that the higher the floor, the cheaper the rental, the Court finds that the amount of ₱10,000.00 per month constitutes a fair rental value for the third floor of the subject building being occupied by herein petitioners.

The rental due respondent, being in the concept of actual or compensatory damages, shall earn interest in accordance with this Court's ruling in *Eastern Shipping Lines, Inc. v. Court of Appeals,*[47] to wit:

> I. When an obligation, regardless of its source, *i.e.*, law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.
>
> II. With regard particularly to an award of interest, in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
>
> 1. When the obligation is breached, and it consists in the payment of a sum of money, *i.e.*, a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, *i.e.*, from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
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> 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages

[47] G.R. No. 97412, July 12, 1994, 234 SCRA 78.

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> awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
>
> 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.[48]

In the instant case, respondent's extra-judicial demand on petitioners was made on April 1, 1999.[49] Hence, from this date, the rentals due from petitioners shall earn interest at 6% per annum until the judgment in this case becomes final and executory. After the finality of judgment and until full payment of the rentals and interests due, the legal rate of interest to be imposed shall be 12%.

WHEREFORE, the instant petition is *DENIED.* The assailed Decision of the Court of Appeals dated September 30, 2002 and its Resolution dated March 17, 2003 in CA-G.R. SP No. 64960 are *AFFIRMED* with *MODIFICATION* by directing petitioners to pay respondent the amount of ₱10,000.00 for every month that they occupied the subject premises, with 6% interest per annum from April 1, 1999 until finality of this Decision and 12% thereafter, until full payment.

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[48] *Id*. at 95-97.

[49] See Letter dated March 15, 1999, *rollo*, p. 94.

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SO ORDERED.

Ynares-Santiago (Chairperson), Chico-Nazario, Nachura, and *Reyes, JJ.,* concur.

THIRD DIVISION

[G.R. No. 171029. November 22, 2007]

HERMINIA ESTRELLA, *petitioner, vs.* **GREGORIO ROBLES, JR.,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; SPECIAL CIVIL ACTIONS; EJECTMENT CASES; POWER TO RESOLVE CONFLICTS OF POSSESSION IS RECOGNIZED WITHIN THE LEGAL COMPETENCE OF THE CIVIL COURTS; SUSTAINED.— It must be stated that the power to resolve conflicts of possession is recognized to be within the legal competence of the civil courts and its purpose is to extend protection to the actual possessors and occupants with a view to quell social unrest. A judgment of the court ordering restitution of the possession of a parcel of land to the actual occupant, who has been deprived thereof by another through the use of force or in any other illegal manner, should never be construed as an interference with the disposition and alienation of public lands. The Bureau of Lands determines the respective rights of rival claimants to public lands, but it does not have the wherewithal to police public lands. Neither does it have the means to prevent disorders or breaches of peace among the occupants. Its power is clearly limited to disposition and alienation and any power to decide disputes over possession is but in aid of making the proper awards.

2. ID.; ID.; ID.; UNLAWFUL DETAINER; ELEMENTS.— In a case for unlawful detainer, the possession is unlawfully withheld