

Title:

****Ouano v. PGTT International Investment Corporation and Hon. Judge Ramon G. Codilla, Jr.****

Facts:

PGTT International Investment Corporation (PGTT) filed a complaint against Jovenal Ouano in the Regional Trial Court (RTC) of Cebu City, seeking recovery of ownership and possession of certain real property and damages. PGTT claimed ownership of Lot Nos. 1-10, Block 2 of Sunnymeade Crescent Subdivision and alleged Ouano wrongfully occupied and utilized these lots, causing them damage. Ouano, claiming ownership of part of the land, filed a motion to dismiss based on jurisdictional grounds, arguing that the Municipal Trial Court (MTC), not the RTC, should hear the case since the assessed value of the property in question was only P2,910. The RTC denied Ouano's motion, prompting him to file a petition for certiorari with the Supreme Court, bypassing the Court of Appeals contrary to judicial hierarchy norms.

Issues:

1. Whether the RTC has jurisdiction over the case based on the nature and assessed value of the property in question.
2. Whether the damages sought by PGTT can confer jurisdiction to the RTC over the case.
3. Whether Ouano's direct filing of a petition for certiorari with the Supreme Court was appropriate.

Court's Decision:

The Supreme Court granted Ouano's petition, setting aside the RTC's orders and dismissing the complaint filed by PGTT. The Court clarified that jurisdiction over the subject matter is determined by the assessed value of the property, as outlined in Batas Pambansa Bilang 129, as amended by Republic Act No. 7691. Since the assessed value of the property was only P2,910, the case fell within the jurisdictional limit of the MTC, not the RTC. Further, the Court explained that claims for damages are incidental to or a consequence of the main cause of action and should not affect the jurisdictional determination based on the value of the property in controversy. The Court also reiterated the importance of observing the hierarchy of courts, noting that Ouano's direct approach to the Supreme Court was not preferred but was entertained in this instance to avoid further delay.

Doctrine:

1. The jurisdiction over actions involving title to or possession of real property is determined by the assessed value of the property, not the market value or the amount of damages claimed, pursuant to Batas Pambansa Bilang 129, as amended by Republic Act No. 7691.
2. Claims for damages, when incidental to or a consequence of the main cause of action, do not affect the jurisdiction based on the value of the property.
3. The principle of judicial hierarchy should be observed, and a petition for certiorari should normally be filed with the appropriate lower courts before seeking relief from the Supreme Court, except for compelling reasons.

Class Notes:

- **Jurisdiction Determination**: The jurisdiction of a court over a property dispute is determined by the property's assessed value as indicated in the latest tax declaration.
- **Claims for Damages**: Claims for damages that are incidental to the main cause of action for recovery of real property do not influence the determination of jurisdiction.
- **Judicial Hierarchy Principle**: Parties must observe the principle of judicial hierarchy and file petitions for extraordinary writs with lower courts before approaching the Supreme Court, barring special and important reasons.
- **Relevant Statutes**:
 - **Batas Pambansa Bilang 129, as amended by Republic Act No. 7691**: Defines the jurisdictional thresholds for courts in the Philippines based on the assessed value of the property in dispute.
 - **Administrative Circular No. 09-94**: Provides guidelines on the implementation of RA 7691, particularly on jurisdictional amounts in damages.

Historical Background:

The case illustrates the judicial process concerning jurisdictional challenges based on property valuation and the procedural steps involved in seeking certiorari. It underscores the legal framework governing court jurisdictions in the Philippines and emphasizes adherence to the judicial hierarchy. The decision reaffirms the specific criteria for determining court jurisdiction over property disputes while reiterating procedural expectations for litigants within the Philippine judicial system.