

Title: Philippine National Bank vs. Judge Teodoro N. Florendo, et al.

Facts:

The case revolves around four parcels of land located in Mabinay, Negros Oriental, originally owned by Ricardo Valeroso, who mortgaged them to Philippine National Bank (PNB). In 1971, Agripino and Soledad Viloría acquired these parcels and assumed the mortgage with PNB. Due to unpaid amortizations, PNB foreclosed the mortgage in 1974, acquiring the parcels as the highest bidder in a public auction. Despite these lands being under the Land Reform Program, PNB transferred the titles to their name, disadvantaging the tenants.

On September 8, 1981, tenants, including Vivienne B. Viloría, filed a complaint in the Court of Agrarian Relations (CAR), 12th Judicial District, Dumaguete City, to nullify the foreclosure proceedings. PNB filed an answer with a counterclaim for damages on October 7, 1981, and sought to file a third-party complaint against the original owners. On October 10, 1981, plaintiffs responded to the counterclaim.

In February 1982, plaintiffs sought to amend their complaint to include the heirs of the deceased Agripino Viloría. On May 28, 1982, they further moved to amend the complaint to include another parcel of land in Cebu (TCT No. 42836). PNB opposed this amendment due to lack of proper notice and questioned the inclusion of a non-agricultural land and absence of the mortgage contract.

Respondent Judge Teodoro N. Florendo admitted the amended complaint on May 31, 1982. PNB's motions for reconsideration and opposition were denied on June 3 and 28, respectively. PNB filed a petition for certiorari and preliminary injunction to nullify these orders, leading to the temporary restraining order issued by the Supreme Court on October 25, 1982.

Issues:

1. Whether the Court of Agrarian Relations (CAR) exceeded its jurisdiction by admitting the amended complaint including the parcel of land in Cebu.
2. Whether the motion to amend the complaint was properly executed following procedural requisites.
3. Whether the inclusion of a residential lot in Cebu City extends the jurisdiction of the CAR, now the Regional Trial Court (RTC).

Court's Decision:

1. Jurisdiction: The court found that CAR, now RTC, did not have jurisdiction over the residential lot in Cebu as it was not within the coverage of the Land Reform Program under Presidential Decree No. 27. The appropriate RTC branch holds jurisdiction over agrarian disputes but not over the residential land included in the amended complaint.

2. Procedural Compliance: Although the admission of amendments to pleadings is generally liberally construed, the court emphasized that jurisdiction over the subject matter by law supersedes procedural allowances. Hence, the amendment could not bring the residential lot under the court's agrarian jurisdiction.

3. Inclusion of Residential Lot: The CAR, now RTC, could only entertain agricultural land disputes. Including a residential lot in an agrarian case overstepped the court's jurisdiction, rendering the admitted amendment invalid.

Doctrine:

- Jurisdiction over agrarian matters lies exclusively with the CAR (now RTC handling agrarian cases), limited to agricultural lands. Amendments to include non-agricultural properties, especially residential lots, cannot confer jurisdiction where it is not legally established.

Class Notes:

1. Jurisdiction: Defined by statute and not alterable by parties' actions or court amendments.

- P.D. 946, Sec. 12 specifies CAR's jurisdiction over agricultural lands.

2. Applicability of P.D. 27: Limited to agricultural lands under the Land Reform Program.

3. Excess of Jurisdiction: Pulls attention towards the conferred limits of jurisdiction, emphasizing strict adherence to statutory boundaries.

Historical Background:

This case underscores the post-martial law agrarian reform policies in the Philippines under P.D. 27, emphasizing agricultural land redistribution and protection of tenant rights. The abolition of CAR in favor of the RTC reflects the legislative shift consolidating judicial functions under a unified court system, influencing jurisdictional delineations pivotal in agrarian reform litigation. The decision highlights the careful judicial scrutiny required in agrarian cases amidst evolving legislative landscapes.