

**TERESITA P. ENRIQUEZ AND THE HEIRS OF JOSE A. ENRIQUEZ,
NAMES: MARIBEL ENRIQUEZ, MARVIN ENRIQUEZ, DAISY ANN
ENRIQUEZ, ERWIN ROMMEL ENRIQUEZ, MARIVIC ENRIQUEZ, MA.
SOCORRO ENRIQ...**

Ponente: INTING, J.

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INTING, J.:

Before Us on appeal are the Orders[1] dated April 20, 2009 and October 3, 2011 of the Regional Trial Court (RTC) of Zamboanga City, Branch 14, rendered in Civil Case No. 6071, which is a Complaint for Rescission of Sale, Reconveyance of Title and Damages with Prayer for Preliminary Injunction.

The facts[2] of the case are as follows:

Plaintiff-appellant Teresita P. Enriquez (Teresita), who is the surviving spouse of the late Jose A. Enriquez (Jose), together with her children, namely, plaintiffs-appellants Marvin, Daisy Ann, Erwin, Marivic, Ma. Socoro and Lucia, all surnamed Enriquez, filed a complaint for Rescission of Sale, Reconveyance of Title and Damages with prayer for Preliminary Injunction against defendants-appellees Spouses Martin D. Repolidon and Ester M. Repolidon before the Regional Trial Court of Zamboanga City, Branch 14, docketed as Civil Case No. 6071.[3]

In their Complaint[4], plaintiffs-appellants allege that the late Jose and Teresita were the registered owners and possessors of a parcel of land, located at Pasobolong, Zamboanga City, described, to wit:

TCT NO. T-118,096:

Lot: 4703-C, Psd-097332-023067-AR/GF

Location: Mercedes, Zamboanga City

Boundaries:

NE..along line 3-4, road lot 4703-C, Psd- 097332-023067-AR/GF SE..along line 4-1, lot 4703-B,
Psd-097732-GFI SW..along line 1-2, lot 18, Cad. 124, Zamboanga Cadastre NW..along line 2-3, lot 4703-F,
Psd-097332-023067-AR/GFI

Beginning at a point marked '1'on plan being S. 47 deg. 52'E., 777.71 m. from BLLM No. 385, Cad. 124, thence:

1-2 N, 43 deg. 29'W., 69.73 m. 2-3 N. 71 deg. 35'E., 139.36 m. 3-4 S. 63 deg. 24'E., 99.67 m. 4-1 S. 74 deg. 17'W., 178.29 m.

Containing an area of TEN THOUSAND THREE HUNDRED EIGHT (10,308) Square Meters and covered by Transfer Certificate of Title No. T-118,096 of the Register of Deeds of Zamboanga City.[5]

Plaintiffs-appellants further alleged that sometime in 1997, the late Jose, as seller, entered into a Contract of Sale with the defendants-appellees, as buyer, over a designated one thousand (1,000) square meter portion of Lot 4703-C wherein the former agreed to sell the aforementioned portion to the latter for the price of One Hundred

Twenty-Five Thousand (P125,000.00) Pesos, payable within three (3) months.[6]

Plaintiffs-appellants furthermore allege that the defendants-appellees assured the late Jose that they would pay the full price within three (3) months; that the defendants-appellees even gave the late Jose an earnest money of Twenty-Seven Thousand Pesos (P27,000.00) with the agreement that it would be forfeited if the sale would not proceed upon failure to pay the price as stipulated; that with defendants-appellees' representations and assurances, the late Jose and his wife were persuaded and induced to sign the deed of transfer over the designated 1,000 square meter portion in favor of defendants-appellees in preparation for the registration upon payment of the total price promised;[7] that the late Jose and his wife, who trusted and relied on the representations of defendants-appellees, caused the subdivision of Lot 4703-C wherein the designated 1,000 square meter portion was identified as Lot 4703-C with an area of 1,000 square meters; that the late Jose and his wife signed the deed of transfer over Lot 4703-C-1 in favor of defendants-appellees; and that the defendants-appellees, in bad faith and against the agreement, later transferred the title over Lot 4703-C-1 in their names under TCT No. T-135,591 of the Register of Deeds of Zamboanga City.[8]

Plaintiffs-appellants finally alleged that even after the execution of the deed of transfer, which was made only in preparation for the registration and on the condition of the payment of the full purchase price, the late Jose and his wife retained the possession of the subject property as owners thereof; that there was no actual intent to deliver the subject property until full payment of the purchase price;[9] and that defendants-appellees, however, defaulted in their commitment to pay the purchase price within the agreed period in spite of the demands made by plaintiffs-appellants.[10]

Thus, plaintiffs-appellants were constrained to file the Complaint against defendants-appellees.[11]

For their part, defendants-appellees filed a Motion to Dismiss[12] in lieu of an answer. They moved for the dismissal of the Complaint on the ground that it does not state the necessary facts which would confer jurisdiction over the subject matter upon the court a quo. They further contend that under Section 19 (2) of Batas Pambansa (BP) 129, as amended by Republic Act (RA) 7691, in order for the Regional Trial Court to acquire jurisdiction over a civil action involving title to, or possession of real property, or any interest therein, the complaint must allege that the assessed value of the real property in litigation must exceed P20,000.00 for the reason that if the assessed value is equal to or less than that amount, it is the Municipal Trial Court which would have exclusive original jurisdiction under Section 33 (3) of BP 129.

Defendants-appellees further argue that the Complaint does not allege that the assessed value of the subject property exceeds P20,000.00, thus, the court a quo did not attain jurisdiction over the subject of the case.[13]

The plaintiffs-appellants opposed the Motion to Dismiss.[14] Thereafter, both parties filed their memoranda in support of their respective claims.

On April 20, 2009, the court a quo issued an Order denying defendants-appellees' Motion to Dismiss. The RTC sustained the plaintiffs-appellants' position that the annulment of title is an action which is incapable of pecuniary estimation. It ratiocinated in this wise:

Indeed, from the allegations of the complaint, the principal action of the plaintiffs is the rescission of the contract of sale which is on installment basis based on breach of said contract. The plaintiffs alleged that they did not intend to delivery (sic) the property and has in fact, retained the possession thereof despite the transfer of the title in the name of the defendants done pursuant to the questioned deed of sale. Reconveyance of the title and necessarily, the annulment of the title in the name of the defendants therefore, are only incidental to, or are consequences of, the main action or principal relief sought. And the court holds that the plaintiffs' principal action or relief which is the rescission of the contract of sale is one incapable estimation and

therefore, cognizable by this court without need for the assessed value of the property involved to be alleged in the complaint.[15]

Undeterred, defendants-appellees moved for the reconsideration[16] of the Order denying their Motion to Dismiss.

On August 26, 2011, the court a quo issued an Order[17] granting the Motion for Reconsideration. The relevant portion of which reads:

However, giving the matter a second hard look, the Court finds the instant action be undeniably, an action for reconveyance in that, the plaintiffs seek to cancel the title obtained by the defendants through fraud. The action respects the decree of registration as incontrovertible but seeks the transfer of property, which has been wrongfully or erroneously registered in other person's name, to its rightful and legal owner, or to those who claim to have a better right. While such action, like action for cancellation of title to or to quite (sic) title over real property, is one which is incapable of pecuniary estimation, like rule that the same falls within the jurisdiction of the Regional Trial Court without need of the assessed value of the subject property to be alleged in the complaint, no longer holds true. These actions although not susceptible of pecuniary estimation, fall under the classification of cases that involve 'title to, or possession of, real property, or any interest therein contemplated in Section 19 (2) of B.P. Blg. 129, jurisdiction over which, now falls under the first level or second level courts, depending on the assessed value of the property involved. Hence, the assessed value of the subject property must now be alleged in the complaint (Heirs of Valeriano S. Concha, Sr. vs. Lumocso, 540 SCRA 1). In the absence of such allegation in the complaint, neither the lower court nor this court, acquires jurisdiction over the case. For the rule is well settled that it is the allegation in the complaint which vests the court jurisdiction over the subject matter.[18]

Plaintiffs-appellants sought for the reconsideration[19] of the aforementioned Order but the court a quo denied it in its Order[20] dated October 3, 2011.

Hence, this appeal with this sole assigned error:

I

THE LOWER COURT ERRED IN DISMISSING THE COMPLAINT FOR LACK OF JURISDICTION OVER THE SUBJECT MATTER DESPITE THE FACT THAT THE ACTION WAS PRINCIPALLY FOR RESCISSION OF SALE DUE TO BREACH OF CONTRACT FOR NON-PAYMENT OF THE PURCHASE PRICE, WHICH IS A CASE INCAPABLE OF PECUNIARY ESTIMATION WITHIN THE EXCLUSIVE AND ORIGINAL JURISDICTION OF THE REGIONAL TRIAL COURT.[21]

Our Ruling

The appeal is bereft of merit.

It is a basic principle that jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action. The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. The averments in the complaint and the character of the relief sought are the ones to be consulted. Once vested by the allegations in the complaint, jurisdiction also remains vested irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.[22]

In their Complaint, plaintiffs-appellants alleged the following:

22.

That moreover, title over Lot 4703-C-1 under T.C.T. No. 135,591 in the names of defendants, as shown above, was fraudulently obtained by the latter, who therefore, by operation of law hold it in trust for plaintiffs, as the true owners thereof;

23.

That consequently, plaintiffs as the true legal owners and possessors of Lot 4703-C-1 are entitled as a matter of right under the law to the peaceful use and enjoyment thereof, without threats and interference from defendants. x x x [23]

They likewise sought for the following reliefs in court:

2.)

That after due hearing, the sale of Lot 4703-C-1 to defendants be decreed as rescinded and the earnest money of P27,000.00 forfeited in favor of plaintiffs;

3.)

That the Voluntary Deed of Transfer, dated June 4, 1997 with respect to the transfer of Lot 4703-C-1 to defendants and T.C.T. No. T-135,591 in defendants' names be ordered cancelled and title be reconveyed to Jose A. Enriquez or his successors and his wife plaintiff Teresita P. Enriquez, with cost against defendants; x x x [24]

Based on the above-mentioned allegations, plaintiffs-appellants are claiming the subject property on the basis of their alleged ownership over it. Thus, this is not a simple case for a rescission of a contract of sale considering that court a quo is tasked to determine as to who between the parties is the lawful owner of the subject property. In *Padlan v. Dinglasan*, the Supreme Court held in this wise:

An action 'involving title to real property' means that the plaintiff's cause of action is based on a claim that he owns such property or that he has the legal rights to have exclusive control, possession, enjoyment, or disposition of the same. Title is the 'legal link between (1) a person who owns property and (2) the property itself.' 'Title' is different from a 'certificate of title' which is the document of ownership under the Torrens system of registration issued by the government through the Register of Deeds. While title is the claim, right or interest in real property, a certificate of title is the evidence of such claim.

In the present controversy, before the relief prayed for by the respondents in their complaint can be granted, the issue of who between the two contending parties has the valid title to the subject lot must first be determined before a determination of who between them is legally entitled to the certificate of title covering the property in question.

From the Complaint, the case filed by respondent is not simply a case for the cancellation of a particular certificate of title and the revival of another. The determination of such issue merely follows after a court of competent jurisdiction shall have first resolved the matter of who between the conflicting parties is the lawful owner of the subject property and ultimately entitled to its possession and enjoyment. The action is, therefore, about ascertaining which of these parties is the lawful owner of the subject lot, jurisdiction over which is determined by the assessed value of such lot.

In no uncertain terms, the Court has already held that a complaint must allege the assessed value of the real

property subject of the complaint or the interest thereon to determine which court has jurisdiction over the action. In the case at bar, the only basis of valuation of the subject property is the value alleged in the complaint that the lot was sold by Lorna to petitioner in the amount of P4,000.00. No tax declaration was even presented that would show the valuation of the subject property. In fact, in one of the hearings, respondents' counsel informed the court that they will present the tax declaration of the property in the next hearing since they have not yet obtained a copy from the Provincial Assessor's Office. However, they did not present such copy.

To reiterate, where the ultimate objective of the plaintiffs is to obtain title to real property, it should be filed in the proper court having jurisdiction over the assessed value of the property subject thereof.²³ Since the amount alleged in the Complaint by respondents for the disputed lot is only P4,000.00, the MTC and not the RTC has jurisdiction over the action. Therefore, all proceedings in the RTC are null and void.^[25]

In the case at bar, the objective of the plaintiffs-appellants is not a mere rescission of a contract but ultimately the cancellation of defendants-appellees' title and the reconveyance of title in their names.

In a similar vein, the Supreme Court, in *Sebe v. Heirs of Sevilla*, held:

The Sebes claim that their action is, first, for the declaration of nullity of the documents of conveyance that defendant Sevilla tricked them into signing and, second, for the reconveyance of the certificate of title for the two lots that Sevilla succeeded in getting. The subject of their action is, they conclude, incapable of pecuniary estimation. x x x Assuming that the Sebes can prove that they have title to or a rightful claim of ownership over the two lots, they would then be entitled, first, to secure evidence of ownership or certificates of title covering the same and, second, to possess and enjoy them. The court, in this situation, may in the exercise of its equity jurisdiction and without ordering the cancellation of the Torrens titles issued to defendant Sevilla, direct the latter to reconvey the two lots and their corresponding Torrens titles to them as true owners.

The present action is, therefore, not about the declaration of the nullity of the documents or the reconveyance to the Sebes of the certificates of title covering the two lots. These would merely follow after the trial court shall have first resolved the issue of which between the contending parties is the lawful owner of such lots, the one also entitled to their possession. Based on the pleadings, the ultimate issue is whether or not defendant Sevilla defrauded the Sebes of their property by making them sign documents of conveyance rather than just a deed of real mortgage to secure their debt to him. The action is, therefore, about ascertaining which of these parties is the lawful owner of the subject lots, jurisdiction over which is determined by the assessed value of such lots.^[26]

Moreover, the plaintiffs-appellants' reliance on *De Leon v. Court of Appeals* is misplaced. The Supreme Court, in *Ruby Shelter Builders v. Formaran*, clarified in this wise:

Petitioner relies heavily on the declaration of this Court in *Spouses De Leon* that an action for annulment or rescission of a contract of sale of real property is incapable of pecuniary estimation.

The Court, however, does not perceive a contradiction between *Serrano* and the *Spouses De Leon*. The Court calls attention to the following statement in *Spouses De Leon*: 'A review of the jurisprudence of this Court indicates that in determining whether an action is one the subject matter of which is not capable of pecuniary estimation, this Court has adopted the criterion of first ascertaining the nature of the principal action or remedy sought.' Necessarily, the determination must be done on a case-to-case basis, depending on the facts and circumstances of each. What petitioner conveniently ignores is that in *Spouses De Leon*, the action therein that private respondents instituted before the RTC was 'solely for annulment or rescission' of the contract of sale over a real property. There appeared to be no transfer of title or possession to the adverse party.^[27]

Again, plaintiffs-appellants do not only seek for the rescission of the contract of sale but ultimately the reconveyance of the title of the subject property in their favor.

Considering that the Complaint failed to allege that the assessed value of the subject property – which must exceed P20,000.00 to fall under the ambit of the court a quo – the case became susceptible to dismissal.

WHEREFORE, the appeal is DENIED. The Orders dated April 20, 2009 and October 3, 2011 of the Regional Trial Court of Zamboanga City, Branch 14, rendered in Civil Case No. 6071 are AFFIRMED.

SO ORDERED.

Camello, J. Ch., and Perez, JJ., concur.

[1] Penned by Hon. Reynerio G. Estacio; Rollo, pp. 25-27, 30; Records, pp. 42-44, 116.

[2] As culled from the records.

[3] Records, pp. 1-6.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Ibid.

[8] Ibid.

[9] Ibid.

[10] Ibid.

[11] Ibid.

[12] Records, pp. 18-23.

[13] Ibid.

[14] Records, pp. 26-28.

[15] Supra, pp. 42-44.

[16] Supra, pp. 55-57.

[17] Supra, pp. 104-105.

[18] Ibid.

[19] Records, pp. 106-113.

[20] Supra, p. 116.

[21] Rollo, p. 16.

[22] Padlan v. Dinglasan; G.R. No. 180321; March 20, 2013.

[23] Records, p. 5.

[24] Ibid.

[25] See footnote 22.

[26] G.R. No. 174497; October 12, 2009.

[27] G.R. No. 175914; February 10, 2009.

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