

YOLANDA CANDARI, SONIA O. DAYLO, RONITA GABUAT AND JIMMY VIÑAS, PETITIONERS, VS. SPS. ESMERALDO H. NIEBLA, JR. AND REBECCA NIEBLA, AND THE RTC BRANCH 126, NCJR, CALOOCAN CITY, R...

Ponente: SALANDANAN-MANAHAN, J.

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SALANDANAN-MANAHAN, J.:

This Petition for Certiorari[1] filed under Rule 65 of the Rules of Court assails public respondent's August 22, 2012 Order[2] granting private respondents' Motion to Dismiss[3] and its December 12, 2012 Order[4] denying petitioners' Motion for Reconsideration[5]. The respective dispositive portions of the Orders are as follows:

“In view of the foregoing, the Motion to Dismiss is granted without prejudice to refile with the appropriate court.

SO ORDERED.”[6]

“In view of the foregoing, considering that there are no new and substantial matters discussed in the instant Motion for Reconsideration that would compel this Court to reconsider, modify, or reverse the decision rendered by this Court, the same is hereby DENIED for lack of merit.

SO ORDERED.”[7]

The Facts

On May 11, 2012, Yolanda Candari, Sonia O. Daylo, Ronita Gabuat and Jimmy Viñas (petitioners) filed before the Regional Trial Court, Branch 126, Caloocan City (public respondent) a Complaint[8] for Declaration of Nullity of Transfer Certificate of Title (TCT) No. C-412742 with Damages against Spouses Esmeraldo H. Niebla, Jr. and Rebecca Niebla (private respondents).[9]

Petitioners' Complaint alleged that they are occupying the property covered by TCT No. C-412742 registered under the names of private respondents.[10] The property was declared for tax purposes with an assessed value of Php48,960.00 and zonal valuation of Php2,300.00 per sq.m.[11] Petitioners added that since TCT No. C-412742 was derived from Original Certificate of Title (OCT) No. 994, which the Supreme Court declared to be null and void, then, private respondents did not acquire any right of ownership over the property.[12] As a result, the property is considered to be a public land that can be acquired by the persons who are in actual, physical, continuous and notorious possession thereof.[13]

On May 23, 2012, private respondents' filed a Motion to Dismiss[14] on the grounds that 1.) the complaint states no cause of action; 2.) petitioners are not the real parties-in-interest; 3.) the conclusive presumption on estoppel against tenants prohibits lessees from questioning the ownership of their lessors; and, 4.) plaintiff's reliance on G.R. No. 123346 and G.R. No. 13485 declaring OCT 994 to be null and void ab initio were already clarified and superseded by *Fidela R. Angeles vs. The Secretary of Justice et. al.* G.R. No. 142549, March 9, 2010 and *Phil-Ville Development and Housing Corp. vs. Maximo Bonifacio et al.* G. R. No. 167391, June 8, 2011.[15]

Private respondents contend that petitioners' Complaint did not state ultimate facts constituting petitioners' rights or private respondents' violation of such rights. Petitioners did not possess sufficient material interest because they are only lessees of the property. Private respondents added that TCT No. C-412742 is valid and existing.[16]

On July 3, 2012, petitioners filed a Motion to Quash the Motion to Dismiss with Prayer to Declare Defendants in Default[17].

On August 22, 2012, public respondent issued the first assailed Order[18] granting private respondents' Motion to Dismiss[19]. It opined:

“Under Batas Pambansa Bilang 129 and with the modifications introduced by Republic Act No. 7691 in 1994, the jurisdiction of the regional trial courts was limited to real actions where the assessed value exceeds P20,000.00, and P50,000.00 where the action is filed in Metro Manila xxx

xxx

Under the law as modified, jurisdiction is determined by the assessed value of the property.

This Court rules that it has no jurisdiction over this case.

Records show that plaintiff alleged that the assessed value of the subject property is [Php]48,960.00 xxx

xxx

The motion to Quash has been moot and academic.”[20]

Petitioners' Motion for Reconsideration[21] was denied per public respondent's second assailed Order[22] of December 12, 2012.

Hence this Petition raising the sole ground, to wit:

“The Regional Trial Court, Branch 126, Caloocan City committed grave abuse of discretion amounting to lack or excess of jurisdiction when it dismissed Civil Case No. C-23099 and subsequently denied petitioners' Motion for Reconsideration”[23]

Our Ruling

Petitioners averred that public respondent's dismissal of their Complaint and the denial of their Motion for Reconsideration were improper. Petitioners principally argued that public respondent has exclusive and original jurisdiction to hear and determine petitioners' action for declaration of nullity of title, which is an action incapable of pecuniary estimation.[24]

The Petition is bereft of merit.

To begin with, jurisdiction is defined as the power and authority of a court to hear, try and decide a case.[25] The rule is settled that jurisdiction over the subject matter of the action is conferred only by the Constitution or by statute. The nature of an action and the subject matter thereof, as well as which court or agency of the government has jurisdiction over the same, are determined by the material allegations of the complaint in relation to the law involved and the character of the reliefs prayed for, whether or not the plaintiff is entitled to any or all of such reliefs. And, jurisdiction being a matter of substantive law, the established rule is that the statute in force at the time of the commencement of the action determines the jurisdiction of the court.[26]

In their Complaint[27] for Declaration of Nullity of TCT No. C-412742 with Damages, petitioners made the following allegations and prayer:

“4. The plaintiffs are in occupancy of the premises to wit: YOLANDA CANDARI, since 1991; SONIA DAYLO, JIMMY VIÑAS, since 2006 and RONITA GABUAT, since 1972 of a parcel of land allegedly own (sic) by defendants Sps. Esmeraldo Niebla and Rebecca Niebla covered by T.C.T. No. C-412742 xxx;

5. As clearly shown in Transfer Certificate of Title No. 412742 that the date of registration was made on May 3, 1917 and the original survey was made on December 1, 1924, hence, the registration was ahead by 7 years of the original survey;

6. The alleged title of defendants Sps. Niebla, Transfer Certificate of Title No. 412742 was derived from O.C.T. No. 994 as may be seen in the entry hereof with a technical description xxx

xxx

7. As per decision of the Honorable Supreme Court in Manotok Realty Inc., and Manotok Estate Corporation vs. CLT Realty Development Corp., G.R. No. 123346 and Araneta Institute of Agriculture Inc., vs. Heirs of Jose Dimson, et. al., G.R. No. 13485 declaring O.C.T. No. 994 to be null and void ab initio;

8. Since Transfer Certificate of Title No. C-412742 being derived from O.C.T. No. 994 which was declared to be non-existing title (sic), therefore said transfer certificate of title No. C-412742 is likewise a nullity and of no effect being declared to be null and void, hence, will not give rise to any transmissible right with respect to the land with an invalid title and resultantly the herein defendants being the holder of the latest derivatives title (sic), [cannot] assert, therefore, any right of ownership over the land.

9. The title of the defendants Sps. Niebla being derived from O.C. T. No. 994 which was declared to be null and void ab initio, the parcel of land covered by said non existing title or null and void (sic) is considered to be public land and defendants Sps. Niebla has not acquired any transmissible rights with respect to the land purportedly with invalid title and as a result hereof the said defendants, being the holder of the latest derivative title can not assert any right of ownership over the land in question, as void ab initio title issued can not ripen into private ownership, and, therefore, the person or persons who are in physical, actual, continuous notorious possession hereof are deem qualified to own the said land;

10. The aforementioned parcel of land has been declared for tax purposes with an assessed value of P48,960.00 and zonal valuation of P2,300.00 per square meter xxx

11. The said parcel of land being covered by a void title is considered to be a public land, and therefore, can be acquired by the persons who are the actual, physical, continuous and notorious possession hereof;

12. Due to the unfounded act of the defendants, in claiming ownership over the parcel of land allegedly covered by T.C.T. No. C-412742, plaintiffs are entitled to actual damages in the sum of P100,000.00;

13. As a further consequence of the unfounded acts of the defendant (sic) plaintiffs are deemed entitled to exemplary damages in the sum of P100,000.00;

14. The plaintiffs are also entitled to moral damages for the physical suffering, anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation and similar injuries;

15. Plaintiffs had secured the services of the undersigned counsel for stipulated attorney's fee of P50,000.00 plus appearance fee of P3,000.00 and litigation expenses.

PRAYER

WHEREFORE, it is most respectfully prayed to this Honorable Court that after notice and hearing judgment be rendered by:

1. Declaring T.C.T. No. C-412742 be null and void ab initio;

2. Ordering the Registry of Deeds to deny the registration of T.C.T. No. C-412742 and if already registered to cancel the same;
3. Ordering the defendants to pay the following items of damages to the plaintiffs, to wit:
 - a. actual and compensatory damages in the sum of not less than P100,000.00
 - b. exemplary damages in the sum of not less than P100,000.00;
 - c. moral damages of not less than P100,000.00;
 - d. attorney's fee in the sum of P50,000.00 plus appearance fee of P3,000.00 and litigation expenses
4. Granting to the plaintiffs such other and further reliefs to which they are entitled in law and equity.”[28]

Based on these allegations and reliefs prayed, it is clear that petitioners' Complaint involved "title to, or possession of, real property, or any interest therein" which in turn, means that the plaintiffs' cause of action, such as petitioners here, is based on a claim that they own such property or that they have the legal rights to have exclusive control, possession, enjoyment, or disposition of the same.[29]

Moreover, in *Heirs of Concha vs. Lumocso, et. al.*,[30] the Supreme Court pronounced that actions for "annulment of title" and "cancellation of title, reversion and damages" are civil actions that involve "title to, or possession of, real property, or any interest therein".

Thus, in cases involving “title to, or possession of, real property or any interest therein”, original and exclusive jurisdiction belongs to either the Regional Trial Court or the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, depending on the assessed value of the subject property.

The pertinent provisions of Batas Pambansa Blg. 129[31], as amended by Republic Act No. 7691[32], provide:

Sec. 19. Jurisdiction in civil cases. – Regional Trial Courts shall exercise exclusive original jurisdiction:

xxx

(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 (P20,000.00) or for civil actions in Metro Manila, where x x x the assessed value of the property exceeds Fifty thousand pesos ([P]50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;

XXX

SEC. 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:

xxx

(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 (P20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty thousand pesos (P50,000.00) xxx.” (Emphasis Added)

In the case at bench, annexed to petitioners' Complaint is a Declaration of Real Property[33] dated April 12, 2012 showing that the total assessed value of the property located in Caloocan City and covered by TCT No. C-412742 is Php48,960.00. Clearly, the property's assessed value is below the jurisdictional threshold value of Php50,000.00 fixed by law in order to be within the jurisdiction of the Regional Trial Court. Public respondent therefore properly dismissed petitioners' Complaint.

Indeed, when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action.[34]

WHEREFORE, the Petition is DENIED. The August 22, 2012 and December 12, 2012 Orders of the Regional Trial Court, Branch 126, Caloocan City are hereby AFFIRMED.

SO ORDERED.

Dimaampao, (Chairperson) and Ybañez, JJ., concur.

[1] Rollo, pp. 3-10

[2] Rollo, pp. 18-20

[3] Rollo, pp. 40-47

[4] Rollo, p. 25

[5] Rollo, pp. 21-24

[6] Rollo, p. 20

[7] Rollo, p. 25

[8] Rollo, pp. 27-33

[9] Rollo, p. 5

[10] Rollo, p. 28

[11] Rollo, p. 30

[12] Rollo, pp. 28-30

[13] Rollo, pp. 28-30

[14] Rollo, pp. 40-47

[15] Rollo, pp. 40-41

[16] Rollo, pp. 41-46

[17] Rollo, pp. 48-52

[18] Rollo, pp. 18-20

[19] Rollo, pp. 40-47

[20] Rollo, pp. 19-20

[21] Rollo, pp. 21-24

[22] Rollo, p. 25

[23] Rollo, p. 3; p. 6

[24] Rollo, pp. 7-8

[25] Spouses Genato vs. Viola, G.R. No. 169706, February 5, 2010

[26] Bank of the Philippine Islands vs. Hong, et. al., G.R. No. 161771, February 15, 2012

[27] Rollo, pp. 27-33

[28] Rollo, pp. 28-32

[29] Heirs of Sebe vs. Heirs of Sevilla and Technology and Livelihood Resource Center, G.R. No. 174497, October 12, 2009

[30] G.R. No. 158121, December 12, 2007

[31] THE JUDICIARY REORGANIZATION ACT OF 1980

[32] 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"

[33] Rollo, p. 38

[34] BF Homes, Inc. and the Philippine Waterworks and Construction Corp. vs. Manila Electric Company, G.R. No. 171624, December 6, 2010

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