

TERESA ELORIAGA ADOLFO, PETITIONER, VS. JOVITA EMPESTAN, FELIPE EMPESTAN AND BENJAMIN ELUMBA, RESPONDENTS

Ponente: INGLES, G. T., J.

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INGLES, G. T., J.:

THE CASE

Before this Court is a Petition for Review[1] pursuant to Rule 42 of the Rules of Court albeit dubbed as “Petition for Review on Certiorari”. Petitioner Adolfo seeks a review of the March 28, 2008 Order[2] of the Regional Trial Court in Civil Case No. 272 which annulled and set aside the May 4, 2007 Decision[3] of the 15th Municipal Circuit Trial Court in a case for Recovery of Ownership and Possession and Annulment of Tax Declaration and Transfer Certificate of Title.

THE PARTIES

Petitioner Teresa Eloriaga Adolfo is of legal age, widow, Filipino and a resident of 246 B Tanza, Iloilo City.

Respondents Jovita Empestan, Felipe Empestan, and Benjamin Elumba on the other hand are all of legal age, Filipinos and residents of Igbaras, Iloilo.[4]

THE ANTECEDENTS

Petitioner is the granddaughter of the late Simeon Eloriaga who during his lifetime is the declared owner of the following parcels of land subject matter of the herein case covered by the following tax declarations, to wit:

Lot No. Tax Declaration Number

a.) Assessor's Lot No. 41, situated at Brgy. Barasan, Igbaras, Iloilo with an area of 454 square meters; Tax Declaration No. 21-009-0093

b.) Cadastral Lot No. 6792 situated at Brgy. Kinagdan, Igbaras, Iloilo with an area of 10,437 square meters; Tax Declaration No.0041

c.) Assessor's Lot No. 149, situated at Brgy. Kinagdan, Igbaras, Iloilo with an area of 3,717 square meters; Tax Declaration No.024-100

d.) Assessor's Lot No. 164, situated at Brgy. Kinagdan, Igbaras, Iloilo with an area of 4,091 square meters; Tax Declaration No.024-101

In 1932, widower, Simeon Eloriaga died and was succeeded by his two sons Pedro and Francisco. Pedro died without issues leaving Francisco to succeed as the sole heir of Simeon.

Upon the demise of her parents, petitioner and her husband was approached by Salvador Empestan asking if he could administer the four (4) subject lots. Petitioner acquiesced provided that Salvador undertake to pay the real estate taxes and give ten percent (10)% of his harvest to petitioner.

On November 11, 1983, Salvador passed away. His wife, respondent Jovita Empestan then took over as administrator. Jovita then commissioned respondent Felipe Empestan to cultivate the four (4) parcels of land.

In 1996, Jovita failed to deliver to petitioner her ten percent (10%) of the harvest. The incident prompted petitioner to visit the parcels of land and confront Jovita over the undelivered harvest. However, Teresa's query remained unanswered. Petitioner then demanded for the return of the four (4) subject lots. To this, Jovita's daughter, Yolanda replied that she could no longer recover as the same were already owned by them.[5] It was then that Teresa discovered that Salvador Empestan managed to have Lot Nos. 41, 6792, and 164 declared under his name.[6] Further, upon verification with the Assessor's Office of Tigbauan, Teresa found out that Lot No. 149 is now declared in the name of Benjamin Elumba, the former administrator thereof.[7] Aggrieved, petitioner filed a Complaint⁸ for Recovery of Ownership and Possession and Annulment of Tax Declaration and Transfer Certificate of Title.

In response to the complaint filed, respondents filed their Answer with Counterclaim⁹ and denied having acted as administrators. They aver, Lot No. 149 and 164 were sold to them by petitioner by way of a Deed of Absolute Sale annotated at the back of a Tax Declaration No. 024-122 and Tax Declaration No. 024-123¹⁰. However, as testified by defendants' witness Yolanda Empestan, the Deed of Sale could not be produced as the same was already eaten by termites. Further, defendants allege, Cad. Lot 6792 was acquired by them from a certain Alfredo Espanola. At the same time, Jovita also claims that she inherited the property from her parents.

After the filing of defendants' answer, the parties entered into the following stipulations of facts:

1. The identity of the parties is admitted.
2. The description, area and location of the lots subject matter of this case which are Assessor's Lot No. 41, Cadastral Lot No. 6792, Assessor's Lot No. 164, are likewise admitted.
3. The fact that the plaintiff was able to transfer the Tax Declarations of the four (4) lots subject matter of this case from Simeon Eloriaga to her name was admitted.
4. Also admitted is the fact that Lot No. 41 up to the present is still declared in the name of Simeon Eloriaga.¹¹

On May 4, 2007, the 15th Municipal Circuit Trial Court of Guimbal, Iloilo ruled on the following issues:

- I. Who, as between the parties has the legal right over the properties subject matter of this case?
- II. Damages.¹²

In Ruling in favor of petitioner, the MCTC evaluated each evidence proffered as proof of ownership of the subject lots.

For Lot No. 6792, the MCTC took note of the contradicting claims of the respondents in asserting their ownership of the said property. In respondents' answer, they claim that Lot 6792 was acquired by them from a certain Alfredo Espanola. However, in Yolanda Empestan's (Jovita's daughter) testimony, she testified that the said Lot was acquired by her mother as inheritance from the latter's parents. The above claims of respondents are however negated by Tax Declaration No. 024-101 dated 1974. In the said document, petitioner Teresa Eloriaga was declared owner of the subject property; while Jovita Empestan is merely an administrator thereof.

For Lot Nos. 41 and 164, the MCTC also gave credence to the testimonies of petitioner's witnesses. Rufo Erfe, who worked on Lot 41 for six (6) years, testified that Salvador Empestan had once told him that the land they were tilling is owned by Teresa Eloriaga. He was also told by Salvador that he was also the administrator of three other lots owned by Teresa.

Likewise, another witness of the plaintiff identified as Jose Erfe testified that during Salvador's lifetime, he was

commissioned by the latter to plow Lot No. 41 and the three other fields in Kinagdan, Igaras, Iloilo. In addition, Jose accounted that Salvador, was giving the produce of the land to Teresa Eloriaga.[13]

The MCTC also took note that the titles of respondents to Lot Nos. 149, 41 and 6792 was by virtue of a free patent issued to their name. Since respondents have earlier admitted that they bought the subject properties from petitioner, the subject lots could not at the same time be subjects of free patents. We quote:

The fact that the subject parcel of land have already been segregated from the mass of public domain, the same being identified to have been owned by Simeon Eloriaga, the land may not be subject for the application of a free patent... The issuance therefore of a free patent over the abovementioned parcels of land is void. xxx

The purported sale annotated at the back of the Tax Declaration is incompatible with the application for free patent by defendants. Xxx

From the above disquisitions, the MCTC ruled in favor of petitioner decreeing as follows:

WHEREFORE, in view of the foregoing facts and jurisprudence, the case is hereby resolved in favor of the plaintiff and against the defendants. The Tax Declarations and Original Certificates of Title in the name of defendants, being null and void, are hereby ordered cancelled and Defendants are hereby ordered to vacate the premises of the lot in litigation and deliver possession of the same to the plaintiff. Defendants are, likewise, ordered to pay plaintiff:

1. Php 20,000.00 as attorney's fees;
2. Php 15,000.00 as exemplary damages;
3. Cost of the suit.

Following the above-decision, respondents filed an appeal before the Regional Trial Court (RTC). On March 28, 2008, the RTC issued an Order[14] annulling and setting aside the assailed decision for lack of jurisdiction.

In setting aside the decision of the MCTC, the RTC held, since the case is one for Annulment of Sale, Recovery of Ownership and Possession, Subdivision and Damages; it is therefore in the nature of one incapable of pecuniary estimation.[15]

From the March 28, 2008 Order, petitioner filed a Motion for Reconsideration. The same was however denied on June 13, 2008.

Hence, this petition.

Petitioner now comes before this Court with the following assignment of error:

THE REGIONAL TRIAL COURT BRANCH 67, ACTING AS THE APPELLATE COURT ERRED IN ANNULING AND SETTING ASIDE THE DECISION OF THE TRIAL COURT ON THE GROUND OF LACK OF JURISDICTION.[16]

Petitioner argues, the jurisdiction of the instant case is governed by Republic Act No. 7691 which took effect on April 15, 1994. Section 3 thereof amended Section 33 of Batas Pambansa 129 (BP Blg. 129).[17]

Section 3. Section of the same law is hereby amended to read as follows:

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) exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs: Provided, That in cases of land not declared for taxation purposes, the value of such property shall be determined by the assessed value of the adjacent lots.

Petitioner asserts, the MCTC has jurisdiction over herein case since the assessed value of each of the four lots do not exceed twenty thousand pesos (P20,000.00).[18] Petitioner argues, the instant case is one for reconveyance. Thus, the RTC's declaration that the case at hand is one of incapable of pecuniary estimation falling under the exclusive jurisdiction of the RTC is erroneous.[19]

Thus, petitioner prays for the Order of the Regional Trial Court to be set aside and to reinstate the decision of the 15th Municipal Circuit Trial Court of Guimbal Igaras-Tigbauan, Tubungan, Guimbal, Iloilo.[20]

Acting on the petition filed, We required respondents to file their comment on the petition filed.[21] In response to the petition filed, respondents filed their comment and asserted that the instant case originated from a complaint of Recovery of Ownership and Possession and Annulment of Tax Declaration and Transfer Certificate of Title. The case involves a joinder of causes of action which comprehends more than the issue of title to, possession of, or any interest in the real property. Rather, the issue of ownership and possession is intertwined with the issue of annulment of sale and other instruments of false reconveyance which is incapable of pecuniary estimation. Hence, the instant case falls within the jurisdiction of the RTC. Thus, respondents prays for the petition for review to be denied.[22]

ISSUE

The sole issue for this Court's Resolution is
Whether the MCTC or RTC has jurisdiction to take cognizance of the instant case;

THE COURT'S RULING

What determines the nature of the action as well as which court has jurisdiction over it are the allegations of the complaint and the character of the relief sought.[23]

A reading of the assailed Orders of the Regional Trial Court and the Comment filed by respondents would reveal that their argument of the RTC's lack of jurisdiction is premised on the ruling in the 2002 case of *Copioso v. Copioso*. [24] In fact, respondents' argument is verbatim with the pronouncements in *Copioso*.

We however lament that the above-cited case is no longer the controlling jurisprudence in the case at bar. In the case of *Heirs of Generoso Sebe vs. Heirs of Veronico Sevilla*, [25] the Supreme Court affirmed [26] the Order of the Regional Trial Court, Branch 9 of Dipolog City holding that the *Copioso* ruling has already been superseded [27].

Based on the allegations found in the complaint and the reliefs sought, We find the present controversy to be a real action. The following reliefs are prayed for by petitioner:

- To order the Tax Declaration and Transfer Certificate of Title issued in the name of the defendants cancelled, annulled and declared null and void;
- To order defendants to vacate the premises and to deliver possession of the same to plaintiff;
- To order defendants to pay plaintiff:
- the sum of P30,000.00 as attorney's fees;

- the sum of P10,000.00 as litigation fee;
- the sum of P20,000.00 as exemplary damages, and
- to pay the cost; xxx[28]

A real action is one wherein the plaintiff seeks the recovery of real property, or as provided for in Section 1, Rule 4[29] of the Rules of Court, a real action is an action affecting title to or possession of real property, or interest therein.[30]

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.[31]

Another way of looking at it is that, while “title” gives the owner the right to demand or be issued a “certificate of title,” the holder of a certificate of title does not necessarily possess valid title to the real property. The issuance of a certificate of title does not give the owner any better title than what he actually has in law.[32]

Applied in this case, petitioner is claiming title to the subject properties by virtue of her ownership of the same. From petitioner's assertions, while respondents may have been issued Transfer Certificate of Titles in their respective names, title to the properties still remains in her name. Ultimately, what petitioner seeks is to recover possession of the properties as owner thereof.

Since the instant controversy is one involving title to and possession of a real property, indubitably, the present action is in the nature of a real action.

Section 19(2)[33] and Section 33(3)[34] of Batas Pambansa Blg. 129, as amended by Republic Act No. 7691, are the relevant laws which provide for how jurisdiction in real actions are determined.

As the law stands, the power of the RTC under Section 19 of Batas Pambansa 129, as amended to hear actions involving title to, or possession of, real property or any interest in it now covers only real properties with assessed value in excess of P20,000.00.

Section 33, on the other hand provides that, if the assessed value of the real property outside Metro Manila involved in the suit is P20,000.00 and below, case, jurisdiction over the action lies in the first level courts.[35]

Accordingly, the jurisdictional element of the instant proceeding must be based on the assessed value of the property.

However, in the instant case, a reading of the allegations in the complaint reveals that it is bereft of any assertions on the assessed values of the subject properties.

We now ask, is it necessary for the assessed value of the subject properties to be alleged in the complaint?

This issue has already been resolved in the case of *Quinagoran vs. Court Of Appeals*. [36] In settling the controversy, the Supreme Court ruled:

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. This is because the nature of the action and which court has original and exclusive jurisdiction over the

same is determined by the material allegations of the complaint, the type of relief prayed for by the plaintiff and the law in effect when the action is filed, irrespective of whether the plaintiffs are entitled to some or all of the claims asserted therein. Xxx

Nowhere in said complaint was the assessed value of the subject property ever mentioned. Indeed, absent any allegation in the complaint of the assessed value of the property, it cannot be determined whether the RTC or the MTC has original and exclusive jurisdiction over the petitioner's action.

The same ruling is echoed in the case of *Heirs of Jose Fernando vs. Reynaldo De Belen*[37]. Viz:

The allegations in the complaint and the relief sought by the party determine the nature of the action if the title or designation is not clear. The complaint, in the case at bar, is bereft of any allegation which discloses the assessed value of the property subject matter thereof. The court a quo therefore, did not acquire jurisdiction over instant action. Xxx

From the above-cited rulings of the Supreme Court, We find that neither the MCTC nor the RTC has acquired jurisdiction over petitioner's case. Her failure to allege the assessed values of the subject properties in her complaint has proven fatal to her cause.

Although We note that petitioner has attached to her Complaint Annexes “A” to “D”, this is clearly to support her allegations in paragraph 4 thereof, re: the description of the subject lots. She never intended for such attachments to show the respective assessed values of said lots because never did she allege such values in said complaint. Thus, said attached documents cannot be taken to cure the failure to allege the assessed values, which is a jurisdictional defect.

In ruling so, We are guided by the pronouncement made in *Serrano vs. Delica*[38] where the High Tribunal emphasized, in a real action, “the Rule requires that “the assessed value of the property, or if there is none, the estimated value thereof shall be alleged by the claimant and shall be the basis in computing the fees.” (Emphasis Original) Viz:

We note, however, that neither the “assessed value” nor the “estimated value” of the questioned parcels of land were alleged by respondent in both his original and amended complaint. Xxx Having utterly failed to comply with the requirement of the Rule that he shall allege in his complaint the assessed value of his real properties in controversy, the correct docket fee cannot be computed. As such, his complaint should not have been accepted by the trial court. We thus rule that it has not acquired jurisdiction over the present case for failure of herein respondent to pay the required docket fee. On this ground alone, respondent’s complaint is vulnerable to dismissal. (Emphasis Ours)

WHEREFORE, the Petition for Review is DENIED for lack of merit.

SO ORDERED.

Maxino, P.A.A., and Francisco, R.C., JJ., concur.

[1] Rollo, page 9.

[2] Ibid, page 28.

[3] Id., page 23.

[4] Id., page 9.

[5] Id., page 11.

[6] Id., page 23.

[7] Id., page 24.

[8] Id., page 90.

[9] Id., page 100.

[10] Id., pages 141-142.

[11] Id., page 24.

[12] Id.

[13] Id., page 26.

[14] Id., page 28.

[15] Id., page 29.

[16] Id., page 13.

[17] Id., page 15.

[18] Id., page 16.

[19] Id., page 18.

[20] Id., page 19.

[21] Id., page 176.

[22] Id., page 181.

[23] Bejar, et. al. v. Caluag, G.R. No. 171277, February 12, 2007.

[24] 439 Phil. 936, 943 (2002): x x x the issue of title, ownership and/or possession thereof is intertwined with the issue of annulment of sale and reconveyance hence within the ambit of the jurisdiction of the RTC. The assessed value of the parcels of land thus becomes merely an incidental matter to be dealt with by the court, when necessary, in the resolution of the case but is not determinative of its jurisdiction.

[25] G.R. No. 174497, October 12, 2009.

[26] WHEREFORE, premises considered, the petition is DISMISSED. The Order dated August 8, 2006, of the Regional Trial Court of Dipolog City, Branch 9, in Civil Case 5435, is AFFIRMED.

[27] On August 31, 2006, the RTC denied the Sebes's motion for reconsideration, pointing out that the Copioso ruling had already been overturned by Spouses Huguete v. Spouses Embudo. Before the Huguete, cancellation of titles, declaration of deeds of sale as null and void and partition were actions incapable of pecuniary estimation. Now, however, the jurisdiction over actions of this nature, said the RTC, depended on the valuation of the properties. In this case, the MTC had jurisdiction because the assessed value of the lots did not exceed P20,000.00.

[28] Id., page 94.

[29] RULE 4

Venue of Actions

Section 1. Venue of real actions. — Actions affecting title to or possession of real property, or interest therein, shall be commenced and tried in the proper court which has jurisdiction over the area wherein the real property involved, or a portion thereof, is situated.

[30] Jimmy T. Go vs. United Coconut Planters Bank, G.R. No. 156187. November 11, 2004.

[31] Supra, Note 25.

[32] Agne v. The Director of Lands, G.R. No. 40399, February 6, 1990, 181 SCRA 793, 809.

[33] SEC. 19. Jurisdiction in Civil Cases. — Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x x

(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 such value exceeds Fifty thousand pesos (P50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;

x x x x

[34] 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:

x x x x

(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) exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs: Provided, That in cases of land not declared for taxation purposes, the value of such property shall be determined by the assessed value of the adjacent lots.

[35] Supra, Note 25.

[36] G.R. NO. 155179 , August 24, 2007.

[37] G.R. No. 186366 , July 3, 2013.

[38] G.R. No. 136325, July 29, 2005.

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