

**ANTONIA HILARIO AND/OR HEIRS OF CESAR HILARIO,
PETITIONERS, VS. COURT OF APPEALS, ROSAURO PALILEO AND
JOSEFINA ANASTACIO,RESPONDENTS.**

G.R. No. 121865. August 07, 1996

Ponente: REGALADO, J.

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REGALADO, J.:

We have given due course to this appeal for the singular Purpose of elucidating upon and stressing once again the rule that in forcible entry and unlawful detainer suits, the jurisdiction of the courts of the first level in our integrated judicial system[1] is not lost or affected by the interjection in said cases of an issue concerning the ownership of the real property involved.

The ejectment suit which culminated in this appellate recourse, docketed as Civil Case No. 732 of the Municipal Trial Court of Guiguinto, Bulacan, alleges that the spouses Cesar Hilario (now deceased) and Antonia Hilario purchased a house and lot in Poblacion, Guiguinto, Bulacan from the spouses Rosauro Palileo and Josefina Anastacio, herein private respondents, under a deed of sale dated March 5, 1986. A separate document, executed on the same day by the parties, granted the vendors the right to repurchase the property within one year from said date.

It appears, however, that the Hilarios further allowed private respondents to remain in possession of the premises on the verbal understanding that the latter would vacate the same after two years from the date of the sale. Said period passed without private respondents complying therewith, even after several demands by the Hilarios, hence a complaint for unlawful detainer was instituted by herein petitioners on August 12, 1993.

Private respondents, as defendants, alleged in their answer inter alia that the purported deed of sale between them and the Hilarios was in fact a deed of mortgage and that their corresponding obligation had been extinguished by payment of the sum of P165,000.00 therefor. They thus remained as owners and their continued physical possession of the premises bolsters their assertion that it was only a mortgage contract that was executed between them and the Hilarios. Private respondents likewise impugned the jurisdiction of the inferior court over the controversy, although no substantial argument was advanced in support of that argument.

The municipal trial court rejected the contentions of private respondents and, affirming its jurisdiction over the case, it ruled that the deed of conveyance in dispute was basically a deed of sale which vested in the Hilarios the right of ownership and, consequently, of possession. The decretal part of the decision, dated May 18, 1994, reads:

"Wherefore, all the foregoing considered, judgment is hereby rendered:

- a. Ordering defendants and/or other persons claiming authority under them to vacate the premises covered by Tax Declaration No. ARP No. 02009-0955 and to restore possession thereof to the plaintiffs;
- b. Ordering defendants to pay plaintiffs the amount of P10,000.00 as attorney's fees."[2]

Defendants then elevated the matter on appeal to the Regional Trial Court, Branch 79, of Malolos, Bulacan in Civil Case No. 628-M-94. Said court, finding no reversible error in the judgment of the lower court, affirmed the same in its entirety. Defendants once more appealed, this time to respondent Court of Appeals where the case was docketed as CA-G.R. SP No. 35977.

On the reasoning that the issue raised by private respondents ultimately rested upon and involved the question of ownership, particularly on its assumption that the deed of conveyance was actually a mortgage contract, on June 27, 1995 respondent court reversed and set aside^[3] the judgments of said Regional Trial Court and the lower court. Thus, it dismissed the complaint for ejectment against the vendors, now the private respondents in this case. As the motion for reconsideration of the Hilarios was thereafter rebuffed by respondent court in its resolution of September 8, 1995, they have now come on appeal by certiorari to us.

For resolution here is the question of whether or not the conflicting positions of the litigants, namely petitioners' claim of their right to possess the subject property pursuant to the deed of sale, on the one hand, and private respondents' insistence that they remained owners of the realty because the purported deed of sale is in reality a mortgage contract, on the other hand, would impale the controversy on the issue of ownership. The latter theory could plausibly deprive the municipal trial court of jurisdiction over the case and private respondents so argue, contending that as they had precisely put in issue their ownership of the property, that trial court was ab initio barred from taking cognizance of the suit for lack of jurisdiction.

Section 33(2) of Batas Pambansa Blg. 129, prescribes the jurisdiction of inferior courts in forcible entry and unlawful detainer cases 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 xxx xxx

(2) Exclusive original jurisdiction over cases of forcible entry and unlawful detainer: Provided, That when in such cases, the defendant raises the question of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the issue of ownership shall be resolved only to determine the issue of possession."

This Court subsequently promulgated the corresponding Interim Rules and Guidelines in the implementation of said law and, on the Jurisdiction of inferior courts in ejectment cases, it provides:

"10. Jurisdiction in ejectment cases. - Metropolitan trial courts, municipal trial courts, and municipal circuit trial courts, without distinction, may try cases of forcible ontry and unlawful detainer even if the question of ownership is raised in the pleadings and the question of possession could not be resolved without deciding the issue of ownership, but the question of ownership shall be resolved only to determine the issue of possession" (Italics supplied).

In turn, the 1983 Rule on Summary Procedure, Section 1 of which originally conferred on inferior courts jurisdiction to try in summary proceedings cases of forcible entry and unlawful detainer except where the question of ownership was involved or where the damages or unpaid rentals sought to be recovered exceeded P20,000.00 at the time of the filing of the complaint, was later revised by a resolution of the Court En Banc which took effect on November 15, 1991. At present, all forcible entry and unlawful detainer cases have to be tried pursuant to the Revised Rule on Summary Procedure regardless of whether or not the issue of ownership of the subject property is alleged by a party.^[4]

Then, on April 15, 1994, Republic Act No. 7691 took effect and expanded the jurisdiction of the metropolitan trial

courts, municipal trial courts, and municipal circuit trial courts, amending for the purpose the pertinent portions of Batas Pambansa Blg. 129. The jurisdiction of the aforesaid courts as defined in Section 33(2) of Batas Pambansa Blg. 129 was, however, retained by said amendatory Act. As the law now stands, inferior courts retain jurisdiction over ejectment cases even if the question of possession cannot be resolved without passing upon the issue of ownership; but this is subject to the same caveat that the issue posed as to ownership could be resolved by the court for the sole purpose of determining the issue of possession.[5]

Thus, an adjudication made therein regarding the issue of ownership should be regarded as merely provisional and, therefore, would not bar or prejudice an action between the same parties involving title to the land.[6] The foregoing doctrine is a necessary consequence of the nature of forcible entry and unlawful detainer cases where the only issue to be settled is the physical or material possession over the real property, that is, possession de facto and not possession de jure.[7]

In *Wilmon Auto Supply Corporation, et al. vs. Court of Appeals, et al.*,^[8] the Court catalogued the cases which should not be regarded as prejudicial to an ejectment suit, to wit:

"1. Injunction suits instituted in the RTC by defendants in ejectment actions in the municipal trial courts or other courts of the first level (*Nacorda v. Yatco*, 17 SCRA 920 [1966]) do not abate the latter; and neither do proceedings on consignment of rentals (*Lim Si v. Lim*, 98 Phil. 868 [1956], citing *Pue, et al. v. Gonzales*, 87 Phil. 81 [1950]).

2. An "accion publiciana" does not suspend an ejectment suit against the plaintiff in the former (*Ramirez v. Bleza*, 106 SCRA 187 [1981]).

3. A "writ of possession case" where ownership is concededly the principal issue before the Regional Trial Court does not preclude nor bar the execution of the judgment in an unlawful detainer suit where the only issue involved is the material possession or possession de facto of the premises (*Heirs of F. Guballa, Sr. v. C.A., et al.*; etc., 168 SCRA 518 [1988]).

4. An action for quieting of title to property is not bar to an ejectment suit involving the same property (*Quimpo v. de la Victoria*, 46 SCRA 139 [1972]).

5. Suits for specific performance with damages do not affect ejectment actions (e.g., to compel renewal of a lease contract) (*Desamito v. Cuyegkeng*, 18 SCRA 1184 [1966]; *Pardo de Tavera v. Encarnacion*, 22 SCRA 632 [1968]; *Rosales v. CFI*, 154 SCRA 153 [1987]; *Commander Realty, Inc. v. CA*, 161 SCRA 264 [1988]).

6. An action for reformation of instrument (e.g., from deed of absolute sale to one of sale with pacto de retro) does not suspend an ejectment suit between the same parties (*Judith v. Abragan*, 66 SCRA 600 [1975]).

7. An action for reconveyance of property or ("accion reivindicatoria" also has no effect on ejectment suits regarding the same property (*Del Rosario v. Jimenez*, 8 SCRA 549 [1963]; *Salinas v. Navarro*, 126 SCRA 167; *De la Cruz v. CA*, 133 SCRA 520 [1984]; *Drilon v. Gaurana*, 149 SCRA 352 [1987]; *Ching v. Malaya*, 153 SCRA 412 [1987]; *Philippine Feeds Milling Co., Inc. v. CA*, 174 SCRA 108; *Dante v. Sison*, 174 SCRA 517 [1989]; *Guzman v. CA* [annulment of sale and reconveyance], 177 SCRA 604 [1989]; *Demamay v. CA*, 186 SCRA 608 [1990]; *Leopoldo Sy v. CA, et al.*, [annulment of sale and reconveyance], G.R. No. 95818, Aug. 2, 1991).

8. Neither do suits for annulment of sale, or title, or document affecting property operate to abate ejectment actions respecting the same property (*Salinas v. Navarro* [annulment of deed of sale with assumption of mortgage and/or to declare the same an equitable mortgage], 126 SCRA 167 [1983]; *Ang Ping v. RTC* [annulment of sale and title], 154 SCRA 153 [1987]; *Caparros v. C.A.* [annulment of title], 170 SCRA 758 [1989]; *Dante v. Sison* [annulment of sale with damages], 174 SCRA 517; *Galgala v. Benguet Consolidated, Inc.* [annulment of document], 177 SCRA 288 [1989])."

It is underscored, however, that the allegations in the complaint for ejectment should sufficiently make out a case for forcible entry or unlawful detainer, as the case may be; otherwise, jurisdiction would not vest in the inferior court.[9] Jurisdiction over the subject matter is, after all, determined by the nature of the action as alleged or pleaded in the complaint. Thus, even where the defendant alleges ownership or title to the property in his or her answer, the inferior court will not be divested of its jurisdiction.[10] A contrary rule would pave the way for the defendant to trifle with the ejectment suit, which is summary in nature, as he could easily defeat the same through the simple expedient of asserting ownership.

In the case at bar, the submission of private respondents could not prosper, both under the rule that the inferior courts have the undoubted competence to resolve the issue of ownership provisionally, and on the well-grounded principle that jurisdiction is determined by the allegations in the complaint. Indeed, while private respondents did raise the question of ownership when they asserted that the contract of sale was in fact one of mortgage, the municipal trial court could not be divested of its jurisdiction over the case since, to repeat, it could very well resolve that particular issue albeit provisionally, as what happened in this case.

Parenthetically, private respondents herein are not without remedy in their stance. They could still assert ownership over the property but it should be done in the manner required by the Rules. In fact, they did just that when they themselves initiated an action for reconveyance involving the same property against petitioners before, be Regional Trial Court of Malolos, Bulacan in Civil Case No. 87-M-94 thereof. The record discloses that said action is still pending in that court.

The basic complaint for unlawful detainer in this case categorically alleges that a certain parcel of land consisting of 81 square meters, more or less, located at Poblacion, Guiguinto, Bulacan, was acquired by petitioners from private respondents under a document of sale dated March 5, 1986, and that the latter were allowed to stay in the premises on an oral covenant that they would vacate the same within two years. It is further asserted that said period elapsed without the vendors complying with that verbal agreement and, despite verbal and written demands to vacate, they continued to occupy and unlawfully withhold possession of the premises from and to the damage and prejudice of petitioners.[11] From the foregoing, no interpretative exercise is needed to conclude that the requirement regarding sufficiency of the allegations on the Jurisdictional facts in ejectment cases had been indubitably complied with by petitioners.

The settled rule is that a complaint for unlawful detainer is sufficient if it contains the allegation that the withholding of possession or the refusal to vacate is unlawful, without necessarily employing the terminology of the law.[12] The complaint must aver facts showing that the inferior court has jurisdiction to try the case, such as how defendant's possession started or continued.[13] Thus, the allegation in a complaint that the "plaintiff verbally asked the defendants to remove their houses on the lot of the former but the latter refused and still refuse to do so without just and lawful grounds" was held to be more than sufficient compliance with the jurisdictional requirements.[14] If the possession is by tolerance, as has been alleged in the complaint of the Hilarios in this case, such possession became illegal upon demand to vacate and the possessor refused to comply with such demand.[15]

IN VIEW OF THE FOREGOING, the assailed judgment and resolution of respondent Court of Appeals are hereby REVERSED and SET ASIDE. The judgment of the Municipal Trial Court of Guiguinto, Bulacan in Civil Case No. 732 promulgated on May 18, 1994, and the judgment of the Regional Trial Court, Branch 79, of Malolos, Bulacan affirming said disposition of the inferior court, are hereby REINSTATED.

SO ORDERED.

Romero, Puno, Mendoza, and Torres, Jr., JJ., concur.

[*] Although Section 1, Rule 46 provides that the title of a case on appeal "shall remain as it was below," the title of the case at bar has been modified by eliminating the appellation "SPOUSES" or "SPS." for being unauthorized in improper under conventional rules of pleading and practice.

[1] Metropolitan trial courts, municipal trial courts and municipal circuit trial courts.

[2] Annex C, Petition; Rollo, 30

[3] Judgment was penned by Associate Justice Eugenio S. Labitoria, with Associate Justice Arturo B. Buena and Cancio C. Garcia, concurring; Rollo, 62

[4] Section 1(A), Revised Rule on Summary Procedure.

[5] Refugia, et al vs. Court of Appeals, et al., G.R. No. 118284, July 5, 1996, and cases cited thereunder.

[6] Asset Privatization Trust vs. Court of Appeals, et al. G.R. No. 103277, February 3, 1994, 229 SCRA 627; Semira vs. Court of Appeals, et al., G.R. No. 100424, June 13, 1994, 233 SCRA 86.

[7] De Luna vs. Court of Appeals, et al., G.R. No. 94490, August 6, 1992, 212 SCRA 276; University Physicians Services, Inc., et al. vs. Court of Appeals, et al., G.R. No. 100424, June 13, 1994, 233 SCRA 86.

[8] G.R. No. 97637, April 10, 1992, 208 SCRA 108.

[9] Ching, et al. vs. Malaya, etc., et al., G.R. No. 56449, August 31, 1987, 153 SCRA 412; Philippine Feeds Milling, Co. Inc., vs. Court of Appeals, et al., G.R. No. 83581, June 14, 1989, 174 SCRA 108; Sumulong vs. Court of Appeals, et al., G.R. No. 108817, May 10, 1994, 232 SCRA 372.

[10] Buazon, et al. vs. Court of Appeals, et al., G.R. No. 97749, March 19, 1993, 220 SCRA 182; Somodio vs. Court of Appeals, et al., G.R. No. 82680, August 15, 1994, 235 SCRA 307; Munar, et al. vs. Court of Appeals, et al., G.R. No. 100740, November 25, 1994, 238 SCRA 372.

[11] Annex A, Petition; Rollo, 21-22.

[12] Sumulong vs. Court of Appeals, et al., *supra*, at Fn. 9.

[13] Deveza, et al. vs. Montecillo, etc., et al., L-23942, March 28, 1969, 27 SCRA 822.

[14] Jakihaca vs. Aquino, et al., G.R. No. 83982, January 12, 1990, 181 SCRA 67.

[15] Odsigue vs. Court of Appeals, et al., G.R. No. 111170, July 4, 1994, 233 SCRA 626. See also Calubayan, et al. vs. Pascual, L-22645, September 18, 1967, 21 SCRA 146.

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