

SPOUSES GREGORIO C. MORALES AND MA. TERESA L. MORALES PETITIONERS, VS. COURT OF APPEALS AND POLICARPIO C. ESTRELLA, RESPONDENTS.

G.R. No. 126196. January 28, 1998

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

In an ejectment case, when a Municipal Trial Court receives evidence on the merits, but thereafter renders a decision erroneously dismissing the action on the ground of lack of jurisdiction, a Regional Trial Court on appeal may review the entire case on the merits and render judgment thereon as the proven facts and the law may warrant. This is in accord with the general principle that the Rules of Court must be construed to attain just, speedy and inexpensive disposition of an action or proceeding.

Statement of the Case

This postulate is used by this Court in granting the instant petition for review on certiorari assailing the August 30, 1996 Decision[1] of Respondent Court of Appeals,[2] the dispositive portion of which reads as follows:

“WHEREFORE, the petition is hereby GRANTED. The decision of the Regional Trial Court, dated December 13, 1994, and all other orders subsequent thereto are hereby set aside. Let this case be remanded to the Municipal Trial Court for further proceedings.

SO ORDERED.”[3]

The said decision[4] of the Regional Trial Court of Malolos, Bulacan, Branch 8, in turn, set aside the appealed decision[5] of the Municipal Trial Court of Hagonoy in an action for forcible entry with damages. It disposed as follows:

“WHEREFORE, judgment is hereby rendered for the plaintiffs as follows:

- Setting aside the decision appealed from, and finding for the plaintiffs;
- Finding that defendant has illegally deprived plaintiffs of their lawful possession of the property to which they are entitled to immediate restitution;
- Ordering the defendant to forthwith vacate the premises and deliver possession thereof to the plaintiffs; and
- Ordering the defendant to pay the plaintiffs the amount of P50,000.00 as reasonable compensation for his illegal occupation and use of the property including the value of the crops he had unlawfully planted and harvested; and P50,000.00 as attorney’s fees for expenses he was compelled to incur to protect his interests in the instant proceedings and in the lower court.

SO ORDERED.”

The Antecedent Facts

The facts as narrated by Respondent Court of Appeals are as follows:

“The lots in question were originally part of one whole parcel devoted to agriculture owned by one Enrique Bautista. Sometime in 1972, Bautista caused the subdivision of the land. His subdivision survey plan was duly approved by the Land Registration Commission. He then obtained individual transfer certificates of title of the subdivided lots. He likewise obtained a corresponding declaration of property for each lot from the Municipal Assessor. These were approved by the Provincial Assessor reclassifying the lots as residential.

In 1979, Bautista sold two (2) lots to plaintiff Gregorio Morales. He also sold four (4) lots to plaintiff Maria Teresa Morales. Teresa in turn, sold three (3) of her purchased lots to three different persons who are likewise plaintiffs in the case.

Plaintiffs assert that the defendant surreptitiously took possession of their lots and prepared them for planting, thereby altering its residential outline and appearance.

Defendant countered with the allegation that reclassification of the land was not approved by the proper authorities and that he was duly constituted as tenant thereof by the previous owner, Enrique Bautista.

The municipal court received evidence on the issue of right of possession and the land’s proper classification.

Finding the land to be agricultural and the fact that tenancy was in issue, the said court dismissed the case for lack of jurisdiction.

Plaintiffs appealed. The (Regional Trial Court) Judge who heard the case found that the (municipal) court had jurisdiction because the land was duly reclassified from agricultural to residential and that tenancy was not involved. He then proceeded to decide the issues on the merits resulting in a judgment favoring plaintiffs’ recovery of possession of the lots in litigation.

Defendant-petitioner (on appeal by way of certiorari to the Court of Appeals) alleges that the (Regional Trial Court) Judge gravely erred its discretion and lacked jurisdiction to decide the case.”[6]

As already stated, the Court of Appeals set aside the RTC decision and remanded the case to the MTC for further proceedings. Hence, this petition.[7]

Public Respondent’s Ruling

The Court of Appeals, in its three-page Decision, ratiocinated as follows:

“The petition has merit.

On the principle that government agencies are duty-bound to adhere to the tenets of the law in the performance of their official functions, there is a presumption that official duty has been regularly performed.

The respondent court based its finding on this presumption in the absence of evidence disputing it. This court sees no reason to amplify the findings on this matter which the trial court amply discussed in its decision (pp. 5-8). Suffice it to state that the respondent court persuades us to sustain its stand that the case is within the courts’ jurisdiction and not referable to the Department of Agrarian Reform.

Nonetheless, we do not agree that the respondent court can take cognizance of the case on the merits.

The record discloses that the Municipal Trial Court which had original jurisdiction over the case for ejectment did not resolve the case on the merits. In fact, this was admitted by the private respondents in their comment to the petition.

The applicable rule is provided in Rule 40 of the Revised Rules of Court, which reads:

‘Sec. 10. Appellate powers of Courts of First Instance where action not tried on its merits by inferior court. – Where the action has been disposed of by an inferior court upon a question of law and not after a valid trial upon the merits, the Court of First Instance shall on appeal review the ruling of the inferior court and may affirm or reverse it, as the case may be. In the case of reversal, the case shall be remanded for further proceedings.’”[8]

The Issues

Petitioners raise the following issues:

“I

Respondent court erred in finding that the Municipal Trial Court did not resolve the ejectment case on the merits, in applying Section 10 of Rule 40 of the Rules of Court and in remanding the case to said court for further proceedings, in spite of its finding that said court did have and has jurisdiction over the case.

II

Respondent court erred in not finding, as urged by petitioners in their ‘Comment (Motion to Dismiss)’, that appeal from the decision of the Regional Trial Court was available to private respondent, that he failed to avail of it, that said decision became final and executory on January 6, 1995, and that the special civil action for certiorari is not a substitute for appeal or a lost one, and in not forthwith dismissing the petition.

III

Respondent court erred in not finding that the petition, assuming it to be procedurally proper, does not make out a case for the special civil action of certiorari since the trial court had jurisdiction over the case and its decision is fully supported by the law and the evidence.”[9]

Synthesizing the foregoing, the issues can simply be restated, as follows:

- Was the RTC correct in resolving the ejectment suit on its merits?
- Was the Court of Appeals correct in giving due course to the petition for certiorari assailing the RTC decision, even after the period for appeal has lapsed?

The Court’s Ruling

The petition is meritorious.

First Issue: Was RTC’s Decision on the Merits Proper?

Reiterating the ruling of the Court of Appeals, private respondent contends that the RTC committed grave abuse of discretion when it decided the case on its merits. He argues that the mandate of the RTC was limited to remanding the case to the MTC for further proceedings. The Court of Appeals and the private respondent rely on Section 10, Rule 40 of the (old) Rules of Court, which pertinently provides:

“Sec. 10. Appellate powers of Court of First Instance where action not tried on its merits by inferior court. -- Where the action has been disposed of by an inferior court upon a question of law and not after a valid trial upon the merits, the Court of First Instance shall on appeal review the ruling of the inferior court and may affirm or reverse it, as the case may be. In case of reversal, the case shall be remanded for further proceedings.” (Underscoring supplied.)

Under the present Rules which include the 1997 amendments, the last two lines above (underscored) are reproduced as the last sentence of Sec. 8, Rule 40:

“SEC. 8. Appeal from orders dismissing the case without trial; lack of jurisdiction. — If an appeal is taken from an order of the lower court dismissing the case without a trial on the merits, the Regional Trial Court may

affirm or reverse it, as the case may be. In case of affirmance and the ground of dismissal is lack of jurisdiction over the subject matter, the Regional Trial Court, if it has jurisdiction thereover, shall try the case on the merits as if the case was originally filed with it. In case of reversal, the case shall be remanded for further proceedings.” (Underscoring supplied)

We cannot sustain the Court of Appeals. Under the aforequoted provisions, a Regional Trial Court, in the exercise of its appellate jurisdiction, should remand a case in the event it reverses a decision of the MTC which ruled on a question of law, provided that there was no trial on the merits. The significance of this second requirement cannot be overemphasized, for it reveals the rationale for remanding the case. A remand is a due process requirement, because it affords the parties an opportunity to present evidence on the merits of the case. Where the parties have presented their respective evidence before the MTC, a remand becomes a useless superfluity, an undue imposition on the time and the dockets of courts.

In the case at bar, it is clear that the MTC afforded due process to the parties; it received relevant evidence sufficient to decide the ejectment case on its merits. As borne by its decision, the MTC received the following pieces of evidence for the petitioners:

“Exhibit ‘A’, subdivision plan dated November 8, 1992, Exhibit ‘A-1’ tax declarations Nos. 2768, 2765, 2764, 2763, (formerly agricultural now converted to residential lots); Exhibit ‘B’ - Deed of Absolute Sale in favor of Gregorio C. Morales, Exhibit ‘B-1’ - Deed of Absolute Sale in favor of Ma. Teresa Morales; Exhibit ‘C’ - Transfer Certificate of Title over Lot 59-N-1-D with an area of 389 square meters; Exhibit ‘D’ - Transfer Certificate of Title over Lot 59-N-1-I with an area of 417 square meters; Exhibit ‘D-1’ - Tax Declaration No. 0576 in the name of Lucila C. Gatela; Exhibit ‘E’ - Transfer Certificate of Title over Lot 59-N-1-H with an area of 394 square meters; Exhibit ‘E-1’ - Tax Declaration No. 0577 in the name of Jayson Gatela; Exhibit ‘F’ - Transfer Certificate of Title over Lot 59-N-1-G with an area of 370 square meters; Exhibit ‘F-1’ - Tax Declaration No. 0578 in the name of Micky G. Yagio; Exhibit ‘G’ - Relocation Plan dated March 24, 1988; Exhibit ‘H’, ‘H-1’ and ‘H-2’ - Pictorial view of land; Exhibit ‘I’ - Barangay Certification; Exhibit ‘J’ - Special Power of Attorney; and Exhibit ‘K’ - Joint Affidavit executed by plaintiffs Gregorio C. Morales and Ma. Teresa L. Morales.”[10]

The MTC also received the following from private respondent:

“Exhibit ‘1’ - Certification dated May 6, 1993 of Punong Barangay and B.A.R.C. Chairman of Iba, Hagonoy, Bulacan; Exhibit ‘2’ - Magkasanib na Sinumpaang Salaysay of Alfredo Manalo and Lucio de Jesus dated March 3, 1993; Exhibit ‘3’ - Certification by the Punong Barangay and B.A.R.C. Chairman of Iba, Hagonoy, Bulacan; Exhibit ‘4’ to ‘4-B’ - Three (3) pictures of the landholding in question; Exhibit ‘5’ - Certification by the Pangulo ng Samahang Nayon dated May 4, 1993, and Exhibit ‘6’ and ‘6-A’ - Demand Letter of Atty. Ezequiel S. Consulta addressed to the defendant.”[11]

Furthermore, during the preliminary conference conducted by the MTC, the parties made the following admissions:

“(1) existence of a Deed of Absolute Sale executed by Enrique Bautista in favor of Gregorio Morales and Ma. Teresa Morales in 1972, but not as to the authenticity; (2) the land in question was formerly in the possession of a certain Emeterio de Jesus before the year 1978; (3) the defendant was a former employee of Enrique Bautista in 1972 until 1977; and (4) defendant admits that the land in question has been divided into subdivision lots but still being cultivated by defendant.”[12]

On the basis of the evidence presented by both parties, the MTC drew a categorical conclusion which strikes at the heart of the instant ejectment case -- the non-existence of forcible entry, viz.:

“As to the manner of entry into possession by the defendant, this Court finds it difficult to believe that he did

so through stealth and strategy. Being relatives and not estranged at least up to the time when the issue in this case cropped up, possession of the defendant was open and known to the plaintiff. Likewise, the use of the land is also known to remain as agricultural, particularly devoted to rice production.

It is more in accord with reason to believe that defendant took over from the former tenant Emeterio de Jesus, of the previous owner, Enrique Bautista. The controversy lies in the fact that he is not at present recognized as such by the new owners, the plaintiff(s). Republic Act 6657 otherwise known as the Comprehensive Agrarian Reform Program (CARP) vests exclusive jurisdiction of agrarian dispute to the Department of Agrarian Reform Adjudication Board (DARAB).”[13]

The Court, therefore, finds no compelling reason to remand the case to the MTC, as the underlying purpose and objective for such remand is already *fait accompli*. As previously noted, the MTC observed due process; it received necessary evidence to decide the ejectment case under the Rules on Summary Procedure; and it discussed the issue of forcible entry. On appeal, the decision of the RTC was based on the facts adduced by the parties before the MTC. Consequently, remanding the case to the MTC serves no useful purpose, for the parties have already presented their evidence. Besides, there was no allegation that the parties intended to present additional evidence which might warrant a change in the resolution of the case. A remand would unnecessarily impose on the parties the concomitant difficulties and expenses of another proceeding where they would have to present the same evidence again. This clearly runs counter to Section 2 (now Section 6), Rule 1 of the Rules of Court, which mandates liberal construction of the Rules to attain just, speedy and inexpensive disposition of any action or proceeding.[14]

As eruditely stated by Mr. Justice Florenz D. Regalado in his Remedial Law Compendium:[15]

“Sec. 10 [of Rule 40] provides for the procedure when the case was not tried on the merits but was merely disposed of on a question of law, as where the case was dismissed for improper venue or lack of jurisdiction. No trial having been held, the Court of First Instance on appeal merely affirms or reverses the order of dismissal, and in case of reversal, remands the case to the lower court for further proceedings.

However, where the question of law involves lack of jurisdiction over the subject matter but the case was tried on the merits by the inferior court, the parties may submit to the original jurisdiction of the Court of First Instance and the appealed case need not be dismissed (Sec. 11; Cf. *Zulueta vs. Mariano, et al.*, L-29360, Jan. 30, 1982).”

Second Issue: Is Certiorari Before the Court of Appeals Appropriate?

Petitioners assail the propriety of the Court of Appeals’ grant of the writ of certiorari, arguing that the questioned RTC decision has already become final and executory.[16] Petitioners contend that certiorari is not a substitute for a lost appeal.[17]

The petitioners’ contention is again correct. The records clearly show that private respondent failed to file an appeal within the reglementary period; private respondent himself does not dispute this. He received a copy of the December 13, 1994 decision of the RTC on December 22, 1994. On January 5, 1995, or fourteen days later, he filed a motion for reconsideration. On April 17, 1995, he received a copy of the order dated February 10, 1995, denying his motion for reconsideration. Instead of appealing, private respondent filed a petition for certiorari before the Court of Appeals on April 27, 1995. By then, the period for appeal had lapsed and the judgment had become final and executory.

As a rule, certiorari is not a substitute for a lost appeal. As an exception, certiorari -- not appeal -- is the proper remedy when a lower court has acted patently beyond or outside the limits of its jurisdiction. [18] In view of the earlier discussion, however, the exception finds no application in this case, for it is clear that the RTC did not

overstep its authority. Hence, the Court of Appeals seriously erred when it granted a writ of certiorari to private respondent.

Parenthetically, the Court deems it significant to note that the RTC correctly appreciated the evidence on record in favor of petitioner. The private respondent manifestly failed to make a specific denial of petitioners' allegation in the amended complaint that, upon discovery of his intrusion into their property, they immediately demanded that he vacate the premises. He did not deny either that he promised to do so in one month. Neither did private respondent specifically deny petitioners' unequivocal declaration that they never authorized private respondent's possession of the property. Moreover, the private respondent never answered the April 21, 1995 letter of petitioners' counsel informing him that he was trespassing and should therefore return the produce he had harvested as planter in bad faith. These material averments were proven by the evidence presented by petitioner.

In stark contrast, we find no sufficient basis in fact or in reason for the MTC's conclusion that the private respondent did not effect entry and possession through stealth and strategy, just because the parties were not estranged relatives. Such relationship is not equivalent to petitioners' knowledge, much less consent, to private respondent's illicit usurpation of their property in Bulacan, considering that petitioners resided in Manila.[19] That the private respondent resorted to strategy and stealth to wrongfully enter and possess petitioners' property is even more condemnable, considering that he, as a witness, signed the deed of absolute sale of the property in favor of the petitioners.[20]

To recapitulate, remanding the case to the MTC for further proceedings will result only in needless delay in the resolution of this action for forcible entry which was filed on September 10, 1993. A remand is necessary only when there has been no trial on the merits. In the instant case, the MTC received evidence on the factual issues of this case. On the basis of the evidence presented, the MTC opined that there was no forcible entry, but that it had no jurisdiction over the case. On the strength of the said evidence received by the MTC, the RTC ruled that the lower court did have jurisdiction and that there was forcible entry. Under the circumstances, the RTC correctly decided the case on the merits based on the evidence already on record. The private respondent failed to appeal within the reglementary period, and thus the RTC decision became final and executory. This simple ejectment case has dragged on for several years. It is time to put it to a decisive halt and grant justice to the parties.

WHEREFORE, the petition for certiorari is hereby GRANTED. The Decision of Respondent Court of Appeals is REVERSED and SET ASIDE. The December 13, 1994 decision of the Regional Trial Court of Malolos, Bulacan, Branch 8, is REINSTATED. No costs.

SO ORDERED.

Narvasa, C.J., Chairman, Romero, Melo, and Francisco, JJ., concur.

[1] Rollo, pp. 25-28.

[2] Seventh Division, composed of J. Emeterio C. Cui, ponente and Division Chairman; and JJ. Eduardo G. Montenegro and Jose C. de la Rama, concurring.

[3] Ibid., pp. 2-3; rollo, pp. 26-27.

[4] In Civil Case No. 493-M-94, penned by acting Presiding Judge Amado M. Calderon.

[5] Penned by Judge Fe Torres-Arcilla.

[6] Decision of the Court of Appeals, pp. 1-2; rollo, pp. 25-26.

[7] The case was deemed submitted for resolution upon receipt by this Court of private respondent's memorandum on September 29, 1997.

[8] Ibid., pp. 2-3; rollo, pp. 26-27.

[9] Petition, p. 6; rollo, p. 8.

[10] Decision of the MTC, pp. 2-3; rollo, pp. 73-74. See also Decision of the RTC, p. 2; rollo, p. 79.

[11] Ibid., p. 4; rollo, p. 75. See also Decision of the RTC, p. 3; rollo, p. 80.

[12] Ibid., pp. 4-5; rollo, pp. 75-76. See also Decision of the RTC, p. 3; rollo, p. 80.

[13] Ibid., p. 6; rollo, p. 77. See also Decision of the RTC, p. 14; rollo, p. 91.

[14] See Manuel Lao vs. Court of Appeals, G.R. No. 115307, p. 12, July 8, 1997.

[15] pp. 248-249, third revised edition (1984).

[16] Petitioners' Memorandum, p. 16; rollo, p. 140.

[17] Ibid.

[18] Sanchez vs. Court of Appeals, G.R. No. 108947, pp. 19-20, September 29, 1997; citing Regalado, Remedial Law Compendium, Volume One, p. 708, (1997), and Philippine National Bank vs. Florendo, 206 SCRA 582, 589, February 26, 1992.

[19] See Decision of the RTC, pp. 14-17; rollo, pp. 91-94.

[20] Ibid., p. 17; rollo, p. 94.

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