

BARANGAY SAN ROQUE, TALISAY, CEBU, PETITIONER, VS. HEIRS OF FRANCISCO PASTOR, NAMELY: EUGENIO SYLIANCO, TEODORO SYLIANCO, ISABEL SYLIANCO, EUGENIA S. ONG, LAWRENCE SYLIANCO, LAW...

G.R. No. 138896. June 20, 2000

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

An expropriation suit is incapable of pecuniary estimation. Accordingly, it falls within the jurisdiction of the regional trial courts, regardless of the value of the subject property.

The Case

Before us is a Petition for Review on Certiorari assailing the March 29, 1999 Order[1] of the Regional Trial Court (RTC) of Cebu City (Branch 58) in Civil Case No. CEB-21978, in which it dismissed a Complaint for eminent domain. It ruled as follows:

"Premises considered, the motion to dismiss is hereby granted on the ground that this Court has no jurisdiction over the case. Accordingly, the Orders dated February 19, 1999 and February 26, 1999, as well as the Writ of Possession issued by virtue of the latter Order are hereby recalled for being without force and effect."[2]

Petitioner also challenges the May 14, 1999 Order of the RTC denying reconsideration.

The Facts

Petitioner filed before the Municipal Trial Court (MTC) of Talisay, Cebu (Branch 1)[3] a Complaint to expropriate a property of the respondents. In an Order dated April 8, 1997, the MTC dismissed the Complaint on the ground of lack of jurisdiction. It reasoned that "[e]minent domain is an exercise of the power to take private property for public use after payment of just compensation. In an action for eminent domain, therefore, the principal cause of action is the exercise of such power or right. The fact that the action also involves real property is merely incidental. An action for eminent domain is therefore within the exclusive original jurisdiction of the Regional Trial Court and not with this Court."[4]

Assailed RTC Ruling

The RTC also dismissed the Complaint when filed before it, holding that an action for eminent domain affected title to real property; hence, the value of the property to be expropriated would determine whether the case should be filed before the MTC or the RTC. Concluding that the action should have been filed before the MTC since the value of the subject property was less than P20,000, the RTC ratiocinated in this wise:

"The instant action is for eminent domain. It appears from the current Tax Declaration of the land involved that its assessed value is only One Thousand Seven Hundred Forty Pesos (P1,740.00). Pursuant to Section 3, paragraph (3), of Republic Act No. 7691, all civil actions involving title to, or possession of, real property with an assessed value of less than P20,000.00 are within the exclusive original jurisdiction of the Municipal Trial

Courts. In the case at bar, it is within the exclusive original jurisdiction of the Municipal Trial Court of Talisay, Cebu, where the property involved is located.

"The instant action for eminent domain or condemnation of real property is a real action affecting title to or possession of real property, hence, it is the assessed value of the property involved which determines the jurisdiction of the court. That the right of eminent domain or condemnation of real property is included in a real action affecting title to or possession of real property, is pronounced by retired Justice Jose Y. Feria, thus, 'Real actions are those affecting title to or possession of real property. These include partition or condemnation of, or foreclosures of mortgage on, real property. x x x'"[5]

Aggrieved, petitioner appealed directly to this Court, raising a pure question of law.[6] In a Resolution dated July 28, 1999, the Court denied the Petition for Review "for being posted out of time on July 2, 1999, the due date being June 2, 1999, as the motion for extension of time to file petition was denied in the resolution of July 14, 1999." [7] In a subsequent Resolution dated October 6, 1999, the Court reinstated the Petition.[8]

In its Memorandum, petitioner submits this sole issue for the consideration of this Court:

" Which court, MTC or RTC, has jurisdiction over cases for eminent domain or expropriation where the assessed value of the subject property is below Twenty Thousand (P20,000.00) Pesos?"[9]

This Court's Ruling

The Petition is meritorious.

Main Issue:

Jurisdiction over an Expropriation Suit

In support of its appeal, petitioner cites Section 19 (1) of BP 129, which provides that RTCs shall exercise exclusive original jurisdiction over "all civil actions in which the subject of the litigation is incapable of pecuniary estimation; x x x." It argues that the present action involves the exercise of the right to eminent domain, and that such right is incapable of pecuniary estimation.

Respondents, on the other hand, contend that the Complaint for Eminent Domain affects the title to or possession of real property. Thus, they argue that the case should have been brought before the MTC, pursuant to BP 129 as amended by Section 3 (3) of RA 7691. This law provides that MTCs shall have exclusive original jurisdiction over all civil actions that involve title to or possession of real property, the assessed value of which does not exceed twenty thousand pesos or, in civil actions in Metro Manila, fifty thousand pesos exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs.

We agree with the petitioner that an expropriation suit is incapable of pecuniary estimation. The test to determine whether it is so was laid down by the Court in this wise:

"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. If it is primarily for the recovery of a sum of money, the claim is considered capable of pecuniary estimation, and whether jurisdiction is in the municipal courts or in the courts of first instance would depend on the amount of the claim. However, where the basic issue is something other than the right to recover a sum of money, or where the money claim is purely incidental to, or a consequence of, the principal relief sought, like in suits to have the defendant perform his part of the contract (specific performance) and in actions for support, or for annulment of a judgment or to foreclose a mortgage, this Court has considered such actions as cases where the subject of the litigation may not be estimated in terms of money, and are cognizable exclusively by courts of first instance. The rationale of the rule is plainly that the second class cases, besides the determination of damages, demand an inquiry into other factors which the law has deemed to be more within the competence of courts of first instance, which were the lowest courts

of record at the time that the first organic laws of the Judiciary were enacted allocating jurisdiction (Act 136 of the Philippine Commission of June 11, 1901)."[10]

In the present case, an expropriation suit does not involve the recovery of a sum of money. Rather, it deals with the exercise by the government of its authority and right to take private property for public use.[11] In *National Power Corporation v. Jocson*,[12] the Court ruled that expropriation proceedings have two phases:

"The first is concerned with the determination of the authority of the plaintiff to exercise the power of eminent domain and the propriety of its exercise in the context of the facts involved in the suit. It ends with an order, if not of dismissal of the action, of condemnation declaring that the plaintiff has a lawful right to take the property sought to be condemned, for the public use or purpose described in the complaint, upon the payment of just compensation to be determined as of the date of the filing of the complaint.' An order of dismissal, if this be ordained, would be a final one, of course, since it finally disposes of the action and leaves nothing more to be done by the Court on the merits. So, too, would an order of condemnation be a final one, for thereafter as the Rules expressly state, in the proceedings before the Trial Court, 'no objection to the exercise of the right of condemnation (or the propriety thereof) shall be filed or heard.'

"The second phase of the eminent domain action is concerned with the determination by the court of 'the just compensation for the property sought to be taken.' This is done by the Court with the assistance of not more than three (3) commissioners. The order fixing the just compensation on the basis of the evidence before, and findings of, the commissioners would be final, too. It would finally dispose of the second stage of the suit, and leave nothing more to be done by the Court regarding the issue. x x x"

It should be stressed that the primary consideration in an expropriation suit is whether the government or any of its instrumentalities has complied with the requisites for the taking of private property. Hence, the courts determine the authority of the government entity, the necessity of the expropriation, and the observance of due process.[13] In the main, the subject of an expropriation suit is the government's exercise of eminent domain, a matter that is incapable of pecuniary estimation.

True, the value of the property to be expropriated is estimated in monetary terms, for the court is duty-bound to determine the just compensation for it. This, however, is merely incidental to the expropriation suit. Indeed, that amount is determined only after the court is satisfied with the propriety of the expropriation.

Verily, the Court held in *Republic of the Philippines v. Zurbano* that "condemnation proceedings are within the jurisdiction of Courts of First Instance,"[14] the forerunners of the regional trial courts. The said case was decided during the effectivity of the Judiciary Act of 1948 which, like BP 129 in respect to RTCs, provided that courts of first instance had original jurisdiction over "all civil actions in which the subject of the litigation is not capable of pecuniary estimation." [15] The 1997 amendments to the Rules of Court were not intended to change these jurisprudential precedents.

We are not persuaded by respondents' argument that the present action involves the title to or possession of a parcel of land. They cite the observation of retired Justice Jose Y. Feria, an eminent authority in remedial law, that condemnation or expropriation proceedings are examples of real actions that affect the title to or possession of a parcel of land.[16]

Their reliance is misplaced. Justice Feria sought merely to distinguish between real and personal actions. His discussion on this point pertained to the nature of actions, not to the jurisdiction of courts. In fact, in his pre-bar lectures, he emphasizes that jurisdiction over eminent domain cases is still within the RTCs under the 1997 Rules.

To emphasize, the question in the present suit is whether the government may expropriate private property under the given set of circumstances. The government does not dispute respondents' title to or possession of the same.

Indeed, it is not a question of who has a better title or right, for the government does not even claim that it has a title to the property. It merely asserts its inherent sovereign power to "appropriate and control individual property for the public benefit, as the public necessity, convenience or welfare may demand." [17]

WHEREFORE, the Petition is hereby GRANTED and the assailed Orders SET ASIDE. The Regional Trial Court is directed to HEAR the case. No costs.

SO ORDERED.

Melo, (Chairman), Purisima, and Gonzaga-Reyes, JJ., concur.

Vitug, J., on official business abroad.

[1] Penned by Judge Jose P. Soberano Jr.

[2] Rollo, p. 22.

[3] Presided by Judge Mario V. Manayon.

[4] Rollo, pp. 20-21.

[5] Rollo, p. 22.

[6] The case was deemed submitted for decision on March 16, 2000, upon receipt by this Court of petitioner's Memorandum, signed by Atty. Marino E. Martinquilla of the Cebu Provincial Legal Office. Respondents' Memorandum, signed by Atty. Eustacio Ch. Veloso, was filed on March 8, 2000.

[7] Rollo, p. 25.

[8] Ibid., p. 31.

10 *Lapitan v. Scandia, Inc.*, 24 SCRA 479, 481, July 31, 1968, per Reyes, J.B.L., J.; cited in *De Leon v. Court of Appeals*, 287 SCRA 94, 99, March 6, 1998.

11 *Republic v. La Orden de PP. Benedictinos de Filipinas*, 1 SCRA 646, February 28, 1961.

12 206 SCRA 520, 536, February 25, 1992, per Davide Jr., J.

13 *Moday v. Court of Appeals*, 268 SCRA 586, February 20, 1997.

14 105 Phil. 409, March 31, 1959, per Padilla, J.

15 Section 44, Judiciary Act of 1948.

16 Jose Feria, 1997 Rules of Civil Procedure, p. 18.

17 Herrera, Remedial Law, Vol. III, 1999 ed., p. 312, citing *Cooley's Constitutional Limit*, 8th ed., 1110.

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