

ELMER MONTERO, PETITIONER, VS. SANTIAGO MONTERO, JR. AND CHARLIE MONTERO, RESPONDENTS.*G.R. No. 217755. September 18, 2019*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-217755/>**CAGUIOA, J:**

Before the Court is an appeal via a Petition for Review on Certiorari[1] (Petition) filed under Rule 45 of the Rules of Court by petitioner Elmer Montero (petitioner Elmer), assailing the Decision[2] dated November 28, 2014 (assailed Decision) and Resolution[3] dated March 23, 2015 (assailed Resolution) of the Court of Appeals (CA) in CA-G.R. SP No. 133658.

The Facts and Antecedent Proceedings

As culled from the CA's recital of the facts, the essential facts and antecedent proceedings of the instant case are as follows:

[Petitioner Elmer] filed a [C]omplaint[4] for Declaration of Nullity of Affidavit of Adjudication,[5] Cancellation of Tax Declaration No. 5289[6] and OCT No. P-14452,[7] Reconveyance, and Damages with Prayer for Preliminary Injunction [(Complaint)] [before the Regional Trial Court of Bangued, Branch 2 (RTC)] against [respondents] Santiago Montero[, Jr. [(respondent Santiago)] and Charlie Montero [(respondent Charlie)], and Elpidio Escobar, Teresita Parel, and Atty. Danilo V. Molina, the latter three in their official capacities as Municipal Assessor of Pilar, Abra, Provincial Assessor of Abra, and Registrar of Deeds of Abra, respectively. [The case was docketed as Civil Case No. 3107.] [Petitioner Elmer] averred:

1. Dominga Taeza [(Dominga)] was the second legal wife of Jose Montero. Their children were Alfredo, Pacita, Marcela, and Ernesto. Dominga had one illegitimate son, Federico Taeza. Petitioner [Elmer] was a surviving heir of Alfredo Montero.

2. [Dominga] died intestate and left a parcel of land situated in Pilar, Abra [(subject property)]. Free Patent No. 27941 under [Dominga's] name was issued over the land on January 11, 1939. Different tax declarations in Dominga's name also showed that she was in actual possession of the land. Upon Dominga's death in 1975, her actual, exclusive, open, continuous, and notorious possession of the land was transferred to her successors-in-interest by operation of law.

3. Sometime in 1993, when [petitioner Elmer] was about to pay the real estate tax on the property, he was informed by the Assessors' Office of Pilar, Abra that the same was already transferred in the name of [respondent Santiago] by virtue of an Affidavit of Adjudication dated June 13, 1989 upon the latter's misrepresentation that [respondent Santiago] was an only heir of his father Santiago Montero, Sr.. The latter, however, was not related by blood to [Dominga], but was the son of Jose Montero (Dominga's husband) by his first marriage.

4. By virtue of the Affidavit of Adjudication, Tax Declaration No. 417 in [Dominga's] name was cancelled by Tax Declaration No. 5289 in [respondent Santiago's] name. Original Certificate of Title (OCT) No. P- 14452 covering the land was also issued in the latter's name.

5. Sometime in 2002, [respondent Santiago] and his children threatened Ernesto Montero with physical harm

to purposely acquire possession of a residential portion of the land, and thereafter, [respondent Charlie] started dumping materials for the house construction over the pleas of Ernesto Montero. [Respondent Santiago], on the other hand, was also renovating his house located within the residential area of the land.

6. [The respondents] wantonly refused to reconvey the property to the surviving heirs of [Dominga].

[Respondents Santiago and Charlie] filed a Motion to Dismiss,[8] alleging that the Regional Trial Court had no jurisdiction over the subject matter of the complaint based on the following grounds:

1. Under Section 19 of Batas Pambansa Blg. 129, regional trial courts shall exercise exclusive original jurisdiction over civil action involving title to, or possession of, real property where the assessed value of the property involved exceeds P20,000.00, or in Metro x x x Manila, where the value exceeds P50,000.00, except actions for forcible entry and unlawful detainer.

Where the assessed value of the real property does not exceed P20,000.00, or P50,000.00 in Metro Manila, exclusive original jurisdiction shall be vested in Metropolitan Trial Courts, Municipal Trial Courts and Municipal Trial Courts, pursuant to Section 33 of BP 129.

As alleged in the complaint, the assessed value of the property is P3,010.00[,] an amount not exceeding P20,000.00., thus, exclusive original jurisdiction over the case is vested with the Municipal Trial Court.

[2.] Section 48 of [Presidential Decree No.] 1529 prohibits collateral attacks on a Torrens title by reason of its indefeasibility. [Petitioner Elmer's] action to annul the title is incidental to his attempt to defend his ownership and possession of the property and constitutes collateral attack on OCT No. P-14452.

[Petitioner Elmer] filed his Comment/Opposition to the Motion to Dismiss[9] arguing that the principal action is incapable of pecuniary estimation, thus, falling within the jurisdiction of the [RTC]. Also, his attack against the validity of OCT No. P-14452 was allegedly direct and not collateral therein.

By Order[10] dated September 3, 2013, the trial court denied [respondents'] motion to dismiss, viz:

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After a careful analysis of the allegations of the complaint, the court arrives at the conclusion that the cause of action is a direct attack upon the title of the defendants, maintaining that the issuance of OCT No. P-14452 is void ab initio, and considering that the same was issued way back in 1994, that the equitable remedy of reconveyance be ordered.

The "Motion to Dismiss" is therefore denied, because, evidently, the cause of action is incapable of pecuniary estimation.

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[The respondents'] motion for reconsideration[11] was also denied under [the RTC's] Order[12] dated November 8, 2013.

[Hence, respondents Santiago and Charlie filed their Petition[13] dated December 28, 2013 under Rule 65 of the Rules of Court (Rule 65 Petition), alleging that the RTC committed grave abuse of discretion in denying their Motion to Dismiss.][14]

The Ruling of the CA

In the assailed Decision, the CA granted the respondents' Rule 65 Petition. The dispositive portion of the said Decision reads:

ACCORDINGLY, the petition is GRANTED. The Orders dated September 3, 2013 and November 8, 2013 are SET ASIDE, and the Motion to Dismiss on ground of lack of jurisdiction, GRANTED.

SO ORDERED.[15]

In sum, the CA held that "[t]he present action, therefore, is not mainly about the declaration of nullity of [the respondents'] affidavit of adjudication or the title they obtained based on said affidavit. The primary issue for resolution is who between the contending parties is the lawful owner of the land, and thus, entitled to its possession. The action is, therefore, one that involves title to, or possession of, real property, jurisdiction over which is determined by the assessed value of the property in question." [16]

The CA further found that "it is undisputed that the assessed value of the property in question is P3,010.00, an amount not exceeding P20,000.00. Based on [Section 19 of Batas Pambansa No. (BP) 129 or the Judiciary Reorganization Act of 1980, the] jurisdiction over the instant case is with the Metropolitan Trial Courts, Municipal Trial Courts, or Municipal Circuit Trial Courts, as the case may be. Undeniably, the [RTC] does not have jurisdiction over the case and thus, erred in denying [the respondents'] motion to dismiss based on this ground." [17]

Petitioner Elmer filed his Motion for Reconsideration [18] dated January 5, 2015, which was denied by the CA in the assailed Resolution.

Hence, the instant appeal.

Issue

Stripped to its core, the instant Petition presents a singular issue -whether the subject matter of petitioner Elmer's Complaint involve the title to, possession of, or interest in real property, or is incapable of pecuniary estimation.

The Court's Ruling

The instant Petition is unmeritorious. Petitioner Elmer's Complaint involves the title to, possession of, and interest in real property, i.e., the subject property, which indisputably has an assessed value of below P20,000.00. Hence, the RTC had no jurisdiction to hear case.

Jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter. It is axiomatic that jurisdiction over the subject matter is the power to hear and determine the general class to which the proceedings in question belong; it is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. [19]

According to BP 129, as amended by Republic Act No. (RA) 7691, the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts have 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 P20,000.00 or, in civil actions in Metro Manila, where such assessed value does not exceed P50,000.00. [20] On the other hand, in all civil actions in which the subject of the litigation is incapable of pecuniary estimation, the Regional Trial Courts shall have exclusive original jurisdiction. [21]

It is the bone of contention of petitioner Elmer that the Complaint that he filed before the RTC is incapable of pecuniary estimation as the principal relief that he is seeking is the cancellation of certain documents, i.e., the Affidavit of Adjudication, Tax Declaration No. 5289, and OCT No. P-14452.

The Court is not convinced.

Jurisprudence has held that an action "involving title to real property" means that the plaintiffs 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.[22]

In connection with the foregoing, it is a hornbook doctrine that a court's jurisdiction over the subject matter of a particular action is determined by the plaintiffs allegations in the complaint and the principal relief he seeks in the light of the law that apportions the jurisdiction of courts.[23]

Hence, the Court has held that even if the action is supposedly one for annulment of a deed, the nature of an action is not determined by what is stated in the caption of the complaint but by the allegations of the complaint and the reliefs prayed for. Where the ultimate objective of the plaintiffs is to obtain title to real property, it should be filed in the proper court having jurisdiction over the assessed value of the property subject thereof.[24]

Applying the foregoing in the instant case, the Complaint itself unequivocally states that petitioner Elmer, by filing the said Complaint, seeks to compel respondents Santiago and Charlie "to respect the right of ownership and possession over the land in question by the heirs of [Dominga]."[25]

In fact, in the instant Petition, petitioner Elmer himself declares that "the narration on the complaint would show that the petitioner was only establishing his rightful ownership over the subject property." [26]

Simply stated, at the heart of petitioner Elmer's Complaint is his assertion of the right of ownership and possession over the subject property as against respondents Santiago and Charlie. Primarily, petitioner Elmer seeks to establish and confirm his supposed "rightful ownership" over the subject property.

Further, the Complaint asks that the RTC order respondent Santiago "to reconvey the above-described property of the deceased [Dominga] to her surviving heirs and to demolish his house and any other structures erected therein x x x [and that respondent Charlie] demolish his house which has been constructed in bad faith within a portion of the residential area of the land in question and any other structures erected therein." [27]

Hence, more than asking for the nullification of documents, it is crystal clear that petitioner Elmer asserts his alleged right of possession over the subject property by seeking the reconveyance of the subject property. According to jurisprudence, "[i]n a number of cases, [the Court has] held that actions for reconveyance of or for cancellation of title to or to quiet title over real property are actions that fall under the classification of cases that involve [']title to, or possession of, real property, or any interest therein.[']" [28] Hence, the instant case is clearly one involving title to, possession of, and interest in real property.

Nonetheless, petitioner Elmer makes the argument that "the main objective of the suit is the cancellation of the respondents' title (OCT No. P-14452)" [29] because the other reliefs stated in the Complaint, which include compelling respondents Santiago and Charlie to recognize and respect the alleged right of ownership of petitioner Elmer, are merely incidental and largely depend on the result of the main action for cancellation of the subject OCT. [30]

Petitioner Elmer's argument is erroneous. He had it the other way around. Proverbially, this argument puts the cart before the horse.

In *Heirs of Generoso Sebe v. Heirs of Veronico Sevilla*, [31] which substantially share a similar set of facts with the instant case, the petitioners therein filed an action for annulment of documents, reconveyance and recovery of possession with damages involving real property with an assessed value of less than P20,000.00 before the RTC. The said action was dismissed due to lack of jurisdiction.

Completely analogous to the main argument of petitioner Elmer, the petitioners in the aforesaid case similarly argued that "their action is, first, for the declaration of nullity of the documents of conveyance that defendant Sevilla tricked them into signing and, second, for the reconveyance of the certificate of title for the two lots that

Sevilla succeeded in getting. The subject of their action is, they conclude, incapable of pecuniary estimation." [32]

In upholding the RTC's dismissal of the action due to lack of jurisdiction, the Court therein explained that "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" 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. Therefore, a plaintiff's action for cancellation or nullification of a certificate of title may only be a necessary consequence of establishing that the defendant lacks title to real property. [33] Hence, the Court therein held that:

The present action is, therefore, not about the declaration of the nullity of the documents or the reconveyance to the Sebes of the certificates of title covering the two lots. These would merely follow after the trial court shall have first resolved the issue of which between the contending parties is the lawful owner of such lots, the one also entitled to their possession, x x x [34] (Underscoring supplied)

Applying the foregoing in the instant case, the primary relief being sought by petitioner Elmer is really the establishment and confirmation of his right of ownership and possession over the subject property as against respondents Santiago and Charlie, considering that the cancellation of the subject OCT would merely follow and would merely be a consequence of the determination of petitioner Elmer's title over the subject property.

Hence, as the subject matter of petitioner Elmer's Complaint involves title to, possession of, and interest in real property which indisputably has an assessed value of below P20,000.00, the CA was correct in finding that the RTC had no jurisdiction to hear, try and decide the case.

WHEREFORE, the instant petition is DENIED. The assailed Decision dated November 28, 2014 and Resolution dated March 23, 2015 rendered by the Court of Appeals in CA-G.R. SP No. 133658 are AFFIRMED.

SO ORDERED.

Carpio, Acting C.J.,[*] (Chairperson, Caguioa, J. Reyes, Jr., Hernando,**] and Zalameda, JJ., concur.

[*] Designated as Acting Chief Justice per Special Order No. 2703 dated September 10, 2019.

[**] Designated additional member per Raffle dated July 29, 2019.

[1] Rollo, pp. 10-29.

[2] Id. at 120-130. Penned by Associate Justice Amy C. Lazaro-Javier (now a member of this Court) with Associate Justices Mariflor P. Punzalan Castillo and Zenaida T. Galapate-Laguilles, concurring.

[3] Id. at 147.

[4] Id. at 64-69.

[5] Id. at 79.

[6] Id. at 80-80a.

[7] Id. at 60-63.

[8] Id. at 86-93.

[9] Id. at 94-96.

[10] Id. at 102. Penned by Judge Corpus B. Alzate.

[11] Id. at 53-58.

[12] Id. at 59.

[13] Id. at 37-51.

[14] Id. at 121-124.

[15] Id. at 129.

[16] Id. at 127.

[17] Id. at 128-129.

[18] Id. at 131-135.

[19] Foronda-Crystal v. Son, G.R. No. 221815, November 29, 2017, 847 SCRA 280, 288-289.

[20] Sec. 3.

[21] BP 129, Sec. 1.

[22] Heirs of Generoso Sebe v. Heirs of Veronico Sevilla, 618 Phil. 395, 407 (2009).

[23] Id. at 403.

[24] Spouses Huguede v. Spouses Embudo, 453 Phil. 170, 176-177 (2003).

[25] Rollo, p. 68; emphasis supplied.

[26] Id. at 21; emphasis and italics supplied.

[27] Id. at 67-68.

[28] Heirs of Valeriano Concha, Sr. v. Sps. Lumocso, 564 Phil. 580, 596 (2007); emphasis and underscoring supplied.

[29] Rollo, p. 21.

[30] Id.

[31] Supra note 22.

[32] Id. at 406-407.

[33] Id. at 407.

[34] Id. at 408.

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