

CORAZON JALBUENA DE LEON, PETITIONER, VS. HON. COURT OF APPEALS (SPECIAL SECOND DIVISION) AND ULДАРICO INAYAN, RESPONDENTS.

G.R. No. 96107. June 19, 1995

Ponente: ROMERO, J.

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ROMERO, J.:

In this petition for review, we are asked to set aside the amended decision of the Court of Appeals dated November 8, 1990 in "Corazon Jalbuena de Leon v. Uldarico Inayan," (CA-G.R. CV No. 19777)[1] which reversed its original decision dated May 24, 1990.[2]

The subject property in the case at bench involves two parcels of irrigated riceland covering an area of 117,785 square meters located in Barangays Guintas and Bingke, Napnod, Leganes, Iloilo. Jesus Jalbuena, the owner of the land, entered into a verbal lease contract in 1970 with Uldarico Inayan, for one year renewable for the same period. Inayan, private respondent herein, bound himself to deliver 252 cavans of palay each year as rental to be paid during the first ten days of January. Private respondent who was a godson of Jesus Jalbuena, was allowed to continue with the lease from year to year.

Petitioner Corazon Jalbuena de Leon is the daughter of Jesus Jalbuena and the transferee of the subject property.

Although private respondent cultivated the subject property through hired men, the cavans of palay were paid annually until 1983 when Inayan ceased paying the agreed rental and instead, asserted dominion over the land. When asked by the petitioner to vacate the land, he refused to do so, prompting the latter to bring an action in court.

In March 1984, herein petitioner filed a complaint against private respondent before the Regional Trial Court of Iloilo City for "Termination of Civil Law Lease; Recovery of Possession; Recovery of Unpaid Rentals and Damages."

Private respondent, in his Answer, claimed that the land had been tenanted by his father since 1938 and that he has already been issued Certificates of Land Transfer (CLT) for the subject property. These Certificates of Land Transfer were subsequently cancelled by the then Ministry of Agrarian Reform on November 22, 1983 upon a finding that said lands were owned by Jesus Jalbuena and that the CLTs were erroneously issued.[3]

On April 11, 1984, the lower court issued an order adopting the procedure in agrarian cases.

The dispositive portion of the trial court's decision dated February 26, 1988 in favor of petitioner De Leon reads:

"WHEREFORE, Premises considered, judgment is hereby rendered:

1. Declaring the lease contract between plaintiff and defendant as a civil law lease, and that the same has already been terminated due to defendant's failure to pay his rentals from 1983 up to the present;

2. Ordering defendant Uldarico Inayan and his privies and successors-in-interest to immediately vacate the land subject-matter of this complaint and to return possession thereof to plaintiff;
3. Ordering defendant Uldarico Inayan to pay plaintiff Corazon Jalbuena de Leon, one thousand two hundred sixty (1,260) cavans of palay representing unpaid rentals from 1983 up to 1987, or its money equivalent computed at the current market price of palay, less whatever amount may have been deposited by defendant with the Court during the pendency of this case, which deposit should be released in favor of plaintiff;
4. Ordering defendant Inayan to pay to plaintiff Jalbuena de Leon the sum of P38,501.28 representing the unpaid irrigation fees, and all fees thereafter until possession of the land has been transferred to the plaintiff;
5. Ordering defendant Inayan to pay to plaintiff Jalbuena de Leon the sum of P3,000.00 as attorney's fees; P1,000.00 as litigation expenses, and P2,000.00 as moral damages, plus costs; and
6. Dismissing defendant's counterclaim for lack of merit."^[4]

On appeal to the Court of Appeals, private respondent raised the sole issue of jurisdiction and alleged that the lower court, acting as Court of Agrarian Relations, had no jurisdiction over the action.

The respondent appellate court, on May 24, 1990, affirmed the trial court's decision, disposing as follows:

"WHEREFORE, premises considered, the decision appealed from should be, as it is hereby AFFIRMED, with a MODIFICATION that the period within which appellant should be ordered to pay the rentals in arrears now covers the years 1983 to 1990. Costs against appellant."^[5]

It held that while jurisdiction must exist as a matter of law, private respondent's attack on the jurisdiction of the lower court must fail for he is guilty of estoppel.^[6] Despite several opportunities to question the jurisdiction of the lower court, he failed to do so. Moreover, it was he who insisted, through his misrepresentations, that the case, involving, as it does, purely agrarian issues, should be referred to the Ministry of Agrarian Reform.^[7] Finally, the appellate court held that since regional trial courts, by express provision of B.P. 129, Section 24, now have exclusive original jurisdiction over agrarian cases, but still applying the special rules of agrarian procedure, it was no error for the court below, even if acting as an agrarian court, to resolve a controversy involving a civil lease.^[8]

Private respondent's motion to reconsider the above decision was granted by the Court of Appeals on November 8, 1990. Respondent court then set aside its earlier decision and dismissed the civil case filed by petitioner below (Civil Case No. 15628) for want of jurisdiction. In its amended decision, the appellate court held that petitioner's complaint below was anchored on acción interdictal, a summary action for recovery of physical possession that should have been brought before the proper inferior court. To make private respondent a deforciant so that the unlawful detainer suit may be properly filed, it is necessary to allege when demand to pay rent and to vacate were made. The court found that this requisite was not specifically met in petitioner's complaint below. Such failure on her part is fatal to her cause since the one-year period within which a detainer suit may be instituted had not yet elapsed when Civil Case No. 15628 was filed. Therefore, the court below was devoid of jurisdiction to entertain the case.^[9]

Hence this petition for review.

It is petitioner's contention that the Court of Appeals erred in holding that the case below is an unlawful detainer action. Since the parties did not confine themselves to issues pertaining solely to possession but also to the nature of the lease contract, the case is not one of unlawful detainer but one incapable of pecuniary estimation.

Next, petitioner argues that the issue of lack of jurisdiction should not have been resolved in favor of private respondent who had voluntarily submitted to the jurisdiction of the court a quo and raised the issue only after an

adverse decision was rendered against him.

Aside from emphasizing the correctness of respondent court's ruling that the case below was a mere ejectment case, private respondent raises the issue of *res judicata* in his comment.

Private respondent Inayan claims that the issue in the instant petition, i.e. whether or not the trial court, acting as an agrarian court, had jurisdiction over the unlawful detainer suit filed by petitioner, had already been ruled upon by the Court of Appeals in CA G.R. SP No. 15700 entitled "*Uldarico Inayan v. Hon. Alonsagay and Corazon Jalbuena*" and the petition for review of said decision had already been denied by this Court in G.R. No. 89312.[10]

The petition is impressed with merit.

The primary issue presented here revolves around the jurisdiction of the trial court, then acting as a court of agrarian relations employing agrarian procedure, to try the suit filed by petitioner.

Jurisdiction of the court over the subject matter is conferred only by the Constitution or by law.[11] It is determinable on the basis of allegations in the complaint.[12]

An error in jurisdiction can be raised at any time and even for the first time on appeal.[13] Barring highly meritorious and exceptional circumstances,[14] neither estoppel nor waiver may be raised as defenses to such an error.[15]

In order to determine whether the court below had jurisdiction, it is necessary to first ascertain the nature of the complaint filed before it.

A study of the complaint instituted by petitioner in the lower court reveals that the case is, contrary to the findings of the respondent appellate court, not one of unlawful detainer.

An unlawful detainer suit (*acción interdictal*) together with forcible entry are the two forms of an ejectment suit that may be filed to recover possession of real property. Aside from the summary action of ejectment, *acción publiciana* or the plenary action to recover the right of possession and *acción reivindicatoria* or the action to recover ownership which includes recovery of possession, make up the three kinds of actions to judicially recover possession.[16]

Illegal detainer consists in withholding by a person from another of the possession of a land or building to which the latter is entitled after the expiration or termination of the former's right to hold possession by virtue of a contract, express or implied.[17] An ejectment suit is brought before the proper inferior court to recover physical possession only or possession *de facto* and not possession *de jure*, where dispossession has lasted for not more than one year. Forcible entry and unlawful detainer are quieting processes and the one-year time bar to the suit is in pursuance of the summary nature of the action.[18] The use of summary procedure in ejectment cases is intended to provide an expeditious means of protecting actual possession or right to possession of the property. They are not processes to determine the actual title to an estate. If at all, inferior courts are empowered to rule on the question of ownership raised by the defendant in such suits, only to resolve the issue of possession.[19] Its determination on the ownership issue is, however, not conclusive.

Acción publiciana is the plenary action to recover the right of possession when dispossession has lasted for more than one year or when dispossession was effected by means other than those mentioned in Rule 70.[20] Under these circumstances, a plenary action[21] may be brought before the regional trial court.[22]

Acción reivindicatoria, which is an action to recover ownership, including the recovery of possession, should also be filed in the regional trial court.

Petitioner's complaint was for "Termination of Civil Law Lease; Recovery of Possession; Recovery of Unpaid Rentals and Damages." [23] After alleging the facts regarding the lease of the subject property, including Inayan's refusal to pay rent and to vacate, petitioner prayed that the trial court declare the civil law lease (and not "tenancy or agricultural lease") terminated. Plaintiff likewise prayed that defendant be ordered to vacate the premises, pay back rentals, unpaid irrigation fees, moral and exemplary damages and litigation fees.

Clearly, the case involves more than just the issue of possession. It was necessary for the trial court below to determine whether the lease was civil and not an agricultural or tenancy relationship and whether its termination was in order. More specifically, the complaint emphasized, in paragraph 4:

"That in entering into the contract, Jesus Jalbuena and defendant Uldarico Inayan definitely agreed that the contract was to be CIVIL LAW LEASE NOT TENANCY OR AGRICULTURAL LEASE, for a period of one (1) year renewable for the same period at the option and agreement of the parties;" [24]

As correctly determined by the trial court, one of the issues in the case below was whether or not the contract entered into by the plaintiff and defendant was a civil law lease or an agricultural lease. If the former, the next issue was whether the lease contract between the parties had been terminated in 1983 for failure of defendant to pay his annual rental. [25]

A detainer suit exclusively involves the issue of physical possession. The case below, however, did not concern merely the issue of possession but as well, the nature of the lease contracted by petitioner's predecessor-in-interest and private respondent. It likewise involved the propriety of terminating the relationship contracted by said parties, as well as the demand upon defendant to deliver the premises and pay unpaid rentals, damages and incidental fees.

Where the issues of the case extend beyond those commonly involved in unlawful detainer suits, such as for instance, the respective rights of parties under various contractual arrangements and the validity thereof, the case is converted from a mere detainer suit to one "incapable of pecuniary estimation," thereby placing it under the exclusive original jurisdiction of the regional trial courts (formerly the courts of first instance). [26]

Not being merely a case of ejectment, the regional trial court possessed jurisdiction to try and resolve the case.

Still on the question of jurisdiction, private respondent Inayan, as appellant before the respondent court, claimed that the trial court, acting as a court of agrarian relations, did not have jurisdiction over the complaint filed by petitioner because the latter did not concern itself with tenancy or agrarian matters. The Court of Appeals, in its original decision, ruled that private respondent was guilty of estoppel. Accordingly, he can not successfully raise the issue.

In the past, the principle of estoppel has been used by the courts to avoid a clear case of injustice. Its use as a defense to a jurisdictional error is more of an exception rather than the rule. The circumstances outlining estoppel must be unequivocal and intentional, for it is an exception to standard legal norms and is generally applied only in highly exceptional and justifiable cases. [27]

We find that the situation in the case at bench falls within the ambit of justifiable cases where estoppel may be applied. The trial court's recourse to agrarian procedure was undoubtedly provoked by private respondent Inayan's insistence on the existence of a tenancy relationship with petitioner. Private respondent cannot now use these same misrepresentations to assert the court's lack of jurisdiction. He cannot invoke the court's jurisdiction to secure affirmative relief against petitioner and, after failing to obtain such relief, repudiate or question that same jurisdiction. [28]

Participation in judicial proceedings where the court was devoid of jurisdiction is not normally considered as

estoppel because the jurisdiction of a court is mandated by law. Estoppel is likewise not appreciated where a mistaken belief in the court's jurisdiction is maintained.

But private respondent's case is different for it does not involve an honest mistake. He is directly responsible for the trial court's use of the special rules of agrarian procedure. His insistence brought about the want of jurisdiction he conveniently asserted before the appellate court, and only after an adverse decision was levelled against him. Private respondent cannot be allowed to seek refuge under the protective mantle of the law after he has abused and made a mockery of it. He is, therefore, considered estopped from asserting the court's want of jurisdiction to try the case.

Moreover, the case was ostensibly one that involved agrarian matters, as alleged by private respondent. Hence the trial court cannot be faulted for its use of agrarian procedure.

The respondent court also correctly held:

"Finally, and more importantly, while it is true that when the trial court decreed that the procedure outlined in P.D. 946 was to be observed at the trial of the case at bar, it, in effect assumed its character as an agrarian court which is a court of limited jurisdiction, and that since agrarian matters are solely cognizable by agrarian courts in the exercise of their limited jurisdiction (*Depositario vs. Herbas* 121 SCRA 756) conversely, agrarian courts have no jurisdiction in cases where there is no tenancy relation between the parties (*Dumlao vs. De Guzman*, 1 SCRA 144). We believe, however, that the dictum enunciated in the *Dumlao* case obtains only when, as before, the then C.F.I. and C.A.R. are two separate and distinct entities. Consequently, the foregoing legal principle no longer finds much relevance under the present system, said agrarian courts having been integrated into the Regional Trial Courts which, by express mandate of Section 24 of B.P. 129, shall have exclusive original jurisdiction over agrarian cases although they are ordained to continue applying the special rules of procedure provided for said cases. This being the case, it is no error for the court below, acting as an agrarian court, to resolve a controversy involving a civil lease since it is already a settled rule that inasmuch as the RTC is a court of general jurisdiction, whether a particular matter should be resolved by it in the exercise of its general jurisdiction, or in its limited jurisdiction, is not a jurisdictional question but a procedural question involving a mode of practice which, therefore, may be waived (*Manalo vs. Mariano*, L-33850, Jan. 22, 1976; *Santos vs. Banayo*, L-31854, Sept. 9, 1982)."[29] (Underscoring ours.)

On the matter of *res judicata* raised by private respondent, we conclude that the same does not find application in instant petition. The issues herein and in the petition in G.R. No. 89312[30] are not the same. In the latter, the issue involved execution pending appeal granted by the trial court judge to petitioner *Jalbuena De Leon*. The Court of Appeals[31] enjoined the respondent judge from enforcing the execution pending appeal after having found no valid and compelling reason to justify said execution. Then too, private respondent asserted, and the appellate court found, that an agrarian court has no jurisdiction in a case where there exists no tenancy relation between the parties. The court said:

"In any event, the matter of jurisdiction of respondent court having been impugned and said issue permeating and going as it does into the very competence of the trial court to act on CAR Case No. 15628, it behooves us to tread softly and give the benefit of the doubt to petitioner, for should execution pending appeal be allowed and the judgment is later ordered vacated on the ground that the trial court had no jurisdiction to hear the case, then it would be well-nigh impossible to restore petitioner to his former status."[32]

From the foregoing quote, we find that the decision of the appellate court did not categorically rule on the matter of jurisdiction but only made mention of it in passing and in ruling upon the real issue of the correctness of execution pending appeal ordered by the respondent judge. The decision in CA-G.R. SP No. 15700 became final after the petition for review of said decision was dismissed by the Court for failure to pay the prescribed legal fees and to attach duplicate original or certified true copies of the questioned decision.[33]

In sum, we have concluded that the case filed by petitioner below, not being one of unlawful detainer, the regional trial court had jurisdiction to hear and try the case.

Moreover, as shown in the foregoing paragraphs, private respondent is estopped from asserting the lower court's lack of jurisdiction.

WHEREFORE, the petition is GRANTED. The amended decision of the Court of Appeals dated November 8, 1990 in CA G.R. CV No. 19777 ("Corazon Jalbuena de Leon v. Uldarico Inayan") is SET ASIDE and the original decision dated May 24, 1990 is REINSTATED.

Costs against private respondent.

SO ORDERED.

Feliciano, (Chairman) and Vitug, JJ., concur.

Melo and Francisco, JJ., no part.

[1] Penned by Justice Antonio M. Martinez, concurred in by Justices Jose A.R. Melo and Filemon H. Mendoza, Rollo, p. 50.

[2] Rollo, p. 47.

[3] Inayan's motion for reconsideration was denied by Minister Conrado Estrella in an Order dated October 4, 1985. Part of the Order reads:

"After a careful study of the facts borne out by the records, this Office finds that Uldarico Inayan is not a leasehold tenant but a civil law lessee of the subject landholdings and the generation of CLT's covering the same in his favor was erroneous." (Quoted in the Court of Appeals decision dated May 24, 1990; Rollo, p. 48.)

[4] Penned by Judge Jesus G. Alonsagay, Rollo, pp. 34-35.

[5] Rollo, p. 52.

[6] Rollo, p. 50.

[7] Rollo, p. 51. Inayan moved to refer the case to the Ministry of Agrarian Reform to determine the existence of a tenancy relationship between the parties despite the cancellation of the CLTs erroneously issued to him. When the aforesaid motion was denied, he elevated the case to the Supreme Court on certiorari. The Court of Appeals, to which the case was referred, on September 15, 1988 denied the petition in "Uldarico Inayan v. Hon. Judge Ramos et. al." (CA G.R. SP No. 07026), Rollo, p. 48.

[8] Rollo, pp. 51-52.

[9] Rollo, p. 55.

[10] Per Resolution of the Court dated September 25, 1989, which noted without action petitioner's leave to file a second motion for reconsideration in G.R. No. 89312 entitled "Corazon Jalbuena de Leon v. Court of Appeals, et al.," Rollo, p. 111.

[11] Perkins v. Roxas, 72 Phil. 514, cited in M. Moran, 1 Comments on the Rules of Court 53 (1979 ed.).

[12] Time, Inc. v. Reyes, G.R. No. L-28882, May 31, 1972; Ganadin v. Ramos, G.R. No. L-23547, September 11,

1980, 99 SCRA 613; *Abo v. Philame Employees and Workers Union*, G.R. No. L-19912, January 30, 1965, 13 SCRA 120; *Bautista v. Fernandez*, G.R. No. L-24062, April 30, 1965, 13 SCRA 744.

[13] *Bloomfield Academy v. CA*, G.R. No. 99042, September 26, 1994; *People v. Que Po Lay*, 94 Phil. 6400; *Roxas v. Rafferty*, 37 Phil 957; *Government v. American Surety Co.*, 11 Phil 203.

[14] *Jimenez v. Macaraig*, G.R. No. 104960, September 14, 1993, 219 SCRA 230; *Pantranco North Express Inc. v. CA*, G.R. No. 105180, July 5, 1993, 224 SCRA 477; *Romualdez v. RTC*, G.R. No. 104960, September 14, 1993, 226 SCRA 408; *Tijam v. Sibonghamoy*, G.R. No. L-21450, April 15, 1968, 23 SCRA 29; *Libudan v. Gil*, G.R. No. L-21163, May 17, 1972, 45 SCRA 17; *Crisostomo v. CA*, G.R. No. L-27166, March 25, 1980.

[15] *La Naval Drug Corp. v. CA*, G.R. No. 103200, August 31, 1994; *SEAF-DEC v. NLRC*, G.R. No. 86773, February 14, 1992, 206 SCRA 283.

[16] *Reyes v. Sta. Maria*, G.R. No. L-33213, June 29, 1979, 91 SCRA 164.

[17] Rule 70, Sec. 1, Revised Rules of Court; *Tenorio v. Gomba*, 81 Phil. 54; *Dikit v. Icasiano*, 89 Phil 44.

[18] *Monteblanco v. Hinigaran Sugar Plantation*, 63 Phil. 797; *Sarona v. Villegas*, G.R. No. L-22984, March 27, 1968, 22 SCRA 1256.

[19] Judiciary Reorganization Act of 1980, B.P. No. 129, Sec. 33.

[20] Rule 70, Section 1. Who may institute proceedings, and when. - Subject to the provisions of the next succeeding sections, a person deprived of the possession of any land or building by force, intimidation, threat, strategy, or stealth, or a landlord, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such landlord, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper inferior court against the person or persons unlawfully withholding or depriving of possession or any person or persons claiming under them, for the restitution of such possession, together with damages and costs. The complaint must be verified.

The provisions of this rule shall not apply to cases covered by the Agricultural Tenancy Act.

[21] *Gumiran v. Gumiran*, 21 Phil. 174; *Medina v. Valdellon*, G.R. No. L-38510, March 25, 1975, 63 SCRA 279.

[22] *Aguilon v. Bohol*, G.R. No. L-27169, October 20, 1977, 79 SCRA 482.

[23] Rollo, p. 18.

[24] Rollo, p. 19.

[25] Rollo, p. 29.

[26] *De Rivera v. Halili*, G.R. No. L-15159, September 30, 1963, 9 SCRA 59, 64.

[27] *La Naval Drug Corp. v. CA*, *supra*.

[28] *Manalo v. Mariano*, G.R. No. L-33850, January 22, 1976, 69 SCRA 80, citing *Dean v. Dean*, 86 ALR 79 and *Tijam v. Sibonghanoy*, 23 SCRA 29, 35-36.

[29] Decision of the Court of Appeals dated May 24, 190, Rollo, pp. 51-52.

[30] "*Corazon Jalbuena de Leon v. Court of Appeals, et al.*"

[31] "Uldarico Inayan v. Hon. Jesus G. Alonsagay, et al.," CA-G.R. SP No. 15700, decision dated February 20, 1989, penned by Justice Jose A.R. Melo and concurred in by Justices Manuel C. Herrera and Jorge S. Imperial. Rollo, p. 124.

[32] Rollo, p. 127.

[33] Resolution of the Court dated June 26, 1989 in UDK-9328, "Corazon Jalbuena de Leon v. Court of Appeals, et al."

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