

FIRST DIVISION

[G.R. No. 202448, December 13, 2017]

JOSEPH O. REGALADO, PETITIONER, V. EMMA DE LA RAMA VDA. DE LA PENA,^[1] JESUSA^[2] DE LA PENA, JOHNNY DE LA PENA, JOHANNA DE LA PENA, JOSE DE LA PENA, JESSICA DE LA PENA, AND JAIME ANTONIO DE LA PENA, RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari* seeks to reverse and set aside the May 28, 2012 Decision^[3] of the Court of Appeals (CA) in CA-G.R. CV No. 02994, which affirmed the January 20, 2009 Decision^[4] of the Regional Trial Court (RTC) of Bacolod City, Branch 42 in Civil Case No. 98-10187 for "Recovery of Possession and Damages with Injunction."

Factual Antecedents

Emma, Jesusa, Johnny, Johanna, Jose, Jessica, and Jaime Antonio (Jaime) all surnamed de la Pena (respondents), are the registered owners of two parcels of land with a total area of 44 hectares located in Murcia, Negros Occidental. These properties are referred to as Lot Nos. 138-D and 138-S, and are respectively covered by Transfer Certificates of Title No. T-103187 and T-103189^[5] (subject properties).

Purportedly, in 1994, without the knowledge and consent of respondents, Joseph Regalado (petitioner) entered, took possession of, and planted sugar cane on the subject properties without paying rent to respondents. In the crop year 1995-1996, respondents discovered such illegal entry, which prompted them to verbally demand from petitioner to vacate the properties but to no avail.^[6]

Later, the parties appeared before the *Barangay* Office of Cansilayan, Murcia, Negros Occidental but failed to arrive at any amicable settlement. On September 29, 1997, the *Lupon Tagapamayapa* of said *Barangay* issued a Certificate to File Action;^[7] and, on March 9, 1998, respondents filed a Complaint^[8] for recovery of possession and damages with injunction against petitioner.

In his Answer,^[9] petitioner countered that in 1994, Emma, Jesusa, Johnny, Johanna, and Jessica executed their separate Waivers of Undivided Share of Lands renouncing their rights and interests over the subject properties in favor of Jaime. In turn, Jaime subsequently waived his rights and interests on the same properties to petitioner.^[10] Petitioner claimed that respondents did not attempt to enter the properties as they already intentionally relinquished their interests thereon.

Thereafter, petitioner filed a Motion to Dismiss^[11] on the ground, among others, that the RTC has no jurisdiction over the subject matter of the case. Petitioner posited that based on the allegations in the Complaint, the action involved recovery of physical possession of the properties in dispute; said Complaint was also filed within one year from the date the parties had a confrontation before the *Barangay*; and thus, the case was one for Ejectment and must be filed with the proper Municipal Trial Court (MTC).

In their Reply,^[12] respondents alleged that the waiver of rights in favor of Jaime was conditioned on the payment of their P6.7 million loan with the Republic Planters Bank (RPB) and Philippine National Bank (PNB); and, in case the subject properties would be sold, its proceeds shall be equally distributed to respondents. They further stated that such waiver bestowed rights over the properties solely upon Jaime. They added that the subsequent waiver executed by Jaime to petitioner should have been with conformity of the banks where the properties were mortgaged; and conditioned on the payment of the P6.7 million loan. They pointed out that neither Jaime nor petitioner paid any amount to RPB or PNB; and as a result, the waivers of rights in favor of Jaime, and later to petitioner, were void.

Subsequently, in their Opposition to Motion to Dismiss,^[13] respondents contended that the RTC had jurisdiction over the case because their demand for petitioner to vacate the properties was made during the crop year 1995-1996, which was earlier than the referral of the matter to *Barangay* Cansilayan.

On July 31, 2000, the RTC denied the Motion to Dismiss. It held that it had jurisdiction over the case because the area of the subject properties was 44 hectares, more or less, and "it is safe to presume that the value of the same is more than P20,000.00."^[14]

Ruling of the Regional Trial Court

On January 20, 2009, the RTC rendered a Decision ordering petitioner to turn over the subject properties to respondents and to pay them P50,000.00 as attorney's fees.

The RTC ratiocinated that the waiver of rights executed by Jaime to petitioner was coupled with a consideration. However, petitioner failed to prove that he paid a consideration for such a waiver; as such, petitioner was not entitled to possess the subject properties.

Both parties appealed to the CA.

On one hand, petitioner reiterated that the RTC had no jurisdiction over the case. He also maintained that respondents already waived their shares and rights over the properties to Jaime, who, in turn, renounced his rights to petitioner.

On the other hand, respondents assailed the RTC Decision in so far as it failed to award them damages as a result of petitioner's purported illegal entry and possession of the subject properties.

Ruling of the Court of Appeals

On May 28, 2012, the CA affirmed the RTC Decision.

The CA dismissed respondents' appeal because they did not establish entitlement to damages. It likewise dismissed the appeal interposed by petitioner for failing to establish that he gave any consideration in relation to Jaime's waiver of rights in his (petitioner) favor.

In addition, the CA ruled that the RTC had jurisdiction over this case considering that the parties stipulated on the jurisdiction of the RTC but also because the assessed value of the subject properties is presumed to have exceeded P20,000.00.

Issues

Hence, petitioner filed this Petition raising the issues as follows:

- I. DID THE REGIONAL TRIAL COURT HAVE JURISDICTION OVER THE SUBJECT MATTER OF THE CASE?
- II. DID THE COURT OF APPEALS ERR IN RULING THAT PETITIONER SHOULD RETURN POSSESSION OF THE PROPERTIES SUBJECT OF THIS CASE TO THE RESPONDENTS?
- III. SHOULD THE PETITIONER BE AWARDED DAMAGES?^[15]

Petitioner's Arguments

Petitioner insists that respondents filed their Complaint for recovery of physical possession of the subject properties on March 9, 1998 or within one year from the date the parties had their confrontation before the *Barangay* of Cansilayan (September 29, 1997). As such, he maintains that the RTC did not have jurisdiction over the case.

Petitioner also posits that even granting that this action is considered a plenary action to recover right of possession, the RTC still had no jurisdiction because the tax declarations of the properties were not submitted, and consequently, it cannot be determined whether it is the MTC or RTC which has jurisdiction over the case.

Moreover, petitioner argues that Jaime's waiver in his (petitioner's) favor was coupled with the following considerations: 1) P400,000.00 cash; 2) a car worth P350,000.00; and 3) a convenience store worth P1,500,000.00. He adds that the delivery of the properties to him confirms that he (petitioner) gave said considerations to Jaime.

Later, in his Manifestation and Motion,^[16] petitioner points out that although the body of the assailed CA Decision made reference to the January 20, 2009 RTC Decision, its dispositive portion pertained to a different case, to wit:

WHEREFORE, premises considered, the August 29, 2008 Decision of the Regional Trial Court, Branch 10 in Civil Case No. CEB-30866 is AFFIRMED.

Costs against both appellants.

SO ORDERED.^[17] (Underlining ours)

Consequently, petitioner prays that the dispositive portion of the CA Decision be rectified to refer to the actual case subject of the appeal.

Respondents' Arguments

On the other hand, respondents contend that the CA did not commit any reversible error in rendering the assailed Decision. They insist that petitioner's contentions are unsubstantial to merit consideration.

Our Ruling

The Court grants the Petition.

In our jurisdiction, there are three kinds of action for recovery of possession of real property: 1) ejectment (either for unlawful detainer or forcible entry) in case the dispossession has lasted for not more than a year; 2) *accion publiciana* or a plenary action for recovery of real right of possession when dispossession has lasted for more than one year; and, 3) *accion reivindicatoria* or an action for recovery of ownership.^[18]

Pursuant to Republic Act No. 7691 (RA 7691),^[19] the proper Metropolitan Trial Court (MeTC), MTC, or Municipal Circuit Trial Court (MCTC) has exclusive original jurisdiction over ejectment cases. Moreover, jurisdiction of the MeTC, MTC, and MCTC shall include civil actions involving title to or possession of real property, or any interest therein where the assessed value of the property does not exceed P20,000.00 (or P50,000.00 in Metro Manila).^[20] On the other hand, the RTC has exclusive original jurisdiction over civil actions involving title to or possession of real property, or any interest therein in case the assessed value of the property exceeds P20,000.00 (or P50,000.00 in Metro Manila).^[21]

Jurisdiction is thus determined not only by the type of action filed but also by the assessed value of the property. It follows that in *accion publiciana* and *reivindicatoria*, the assessed value of the real property is a jurisdictional element to determine the court that can take cognizance of the action.^[22]

In this case, petitioner consistently insists that a) the Complaint is one for ejectment; or b) if the same is deemed an *accion publiciana*, the RTC still lacks jurisdiction as the assessed value of the subject properties was not alleged in the Complaint.

As such, to ascertain the proper court that has jurisdiction, reference must be made to the averments in the complaint, and the law in force at the commencement of the action. This is because only the facts alleged in the complaint can be the basis for determining the nature of the action, and the court that can take cognizance of the case.^[23]

Here, the pertinent portions of the Complaint read:

2. That plaintiffs [herein respondents] are the owners of two (2) parcels of land known as Lot. No. 138-D with Transfer Certificate of Title No. T-103187 and Lot No. 138-S with Transfer Certificate of Title No. T-103189, with a total land area of 44 hectares, all of Murcia Cadastre x x x;

3. That sometime in 1994, without the knowledge and consent of herein plaintiffs, the defendant [herein petitioner] entered into and took