

FIRST DIVISION

[G.R. No. 195834, November 09, 2016]

GUILLERMO SALVADOR, REMEDIOS CASTRO, REPRESENTED BY PAZ "CHIT" CASTRO, LEONILA GUEVARRA, FELIPE MARIANO, RICARDO DE GUZMAN, VIRGILIO JIMENEZ, REPRESENTED BY JOSIE JIMENEZ, ASUNCION JUAMIZ, ROLANDO BATANG, CARMENCITA SAMSON, AUGUSTO TORTOSA, REPRESENTED BY FERNANDO TORTOSA, SUSANA MORANTE, LUZVIMINDA BULARAN, LUZ OROZCO, JOSE SAPICO, LEONARDO PALAD, ABEL BAKING, REPRESENTED BY ABELINA BAKING, GRACIANO ARNALDO, REPRESENTED BY LUDY ARNALDO, JUDITH HIDALGO, AND IGMIDIO JUSTINIANO, CIRIACO MIJARES, REPRESENTED BY FREDEZWINDA MIJARES, JENNIFER MORANTE, TERESITA DIALA, AND ANITA P. SALAR, PETITIONERS, V. PATRICIA, INC., RESPONDENT. THE CITY OF MANILA AND CIRIACO C. MIJARES, INTERVENORS-APPELLEES.

DECISION

BERSAMIN, J.:

Jurisdiction over a real action is determined based on the allegations in the complaint of the assessed value of the property involved. The silence of the complaint on such value is ground to dismiss the action for lack of jurisdiction because the trial court is not given the basis for making the determination.

The Case

For review is the decision promulgated on June 25, 2010^[1] and the resolution promulgated on February 16, 2011 in CA-G.R. CV No. 86735,^[2] whereby the Court of Appeals (CA) dismissed the petitioners' complaint in Civil Case No. 96-81167, thereby respectively reversing and setting aside the decision rendered on May 30, 2005 by the Regional Trial Court (RTC), Branch 32, in Manila,^[3] and denying their motion for reconsideration.

Antecedents

The CA adopted the summary by the RTC of the relevant factual and procedural antecedents, as follows:

This is an action for injunction and quieting of title to determine who owns the property occupied by the plaintiffs and intervenor, Ciriano C. Mijares.

Additionally, to prevent the defendant Patricia Inc., from evicting the plaintiffs from their respective improvements along Juan Luna Street,

plaintiffs applied for a preliminary injunction in their Complaint pending the quieting of title on the merits.

The complaint was amended to include different branches of the Metropolitan Trial Courts of Manila. A Complaint-in-Intervention was filed by the City of Manila as owner of the land occupied by the plaintiffs. Another Complaint-in-Intervention by Ciriano Mijares was also filed alleging that he was similarly situated as the other plaintiffs.

A preliminary injunction was granted and served on all the defendants.

Based on the allegations of the parties involved, the main issue to be resolved is whether the improvements of the plaintiffs stand on land that belongs to Patricia Inc., or the City of Manila. *Who owns the same? Is it covered by a Certificate of Title?*

All parties agreed and admitted in evidence by stipulation as to the authenticity of the following documents:

(1) *Transfer Certificate of Title No. 44247 in the name of the City of Manila;*

(2) *Transfer Certificate of Title No. 35727 in the name of Patricia Inc.;*

(3) *Approved Plan PSD-38540; and*

(4) *Approved Subdivision Plan PCS-3290 for Ricardo Manotok.*

The issue as to whether TCT 35727 should be cancelled as prayed for by the plaintiffs and intervenor, Ciriano C. Mijares is laid to rest by agreement of the parties that this particular document is genuine and duly executed. Nonetheless, the cancellation of a Transfer Certificate of Title should be in a separate action before another forum.

Since the Transfer Certificates of Title of both Patricia Inc. and the City of Manila are admitted as genuine, the question now is: Where are the boundaries based on the description in the respective titles?^[4]

To resolve the question about the boundaries of the properties of the City of Manila and respondent Patricia, Inc., the RTC appointed, with the concurrence of the parties, three geodetic engineers as commissioners, namely: Engr. Rosario Mercado, Engr. Ernesto Pamular and Engr. Delfin Bumanlag.^[5] These commissioners ultimately submitted their reports.

On May 30, 2005, the RTC rendered judgment in favor of the petitioners and against Patricia, Inc., permanently enjoining the latter from doing any act that would evict the former from their respective premises, and from collecting any rentals from them. The RTC deemed it more sound to side with two of the commissioners who had found that the land belonged to the City of Manila, and disposed:

WHEREFORE, it is hereby ORDERED:

1. **Defendant Patricia Inc.** and other person/s claiming under it, are **PERMANENTLY ENJOINED to REFRAIN and DESIST** from any

act of **EVICTION OR EJECTION of the PLAINTIFFS** in the premises they occupy;

2. **Defendant Patricia Inc. STOP COLLECTING** any rentals from the plaintiffs who may seek reimbursement of previous payments in a separate action subject to the ownership of the City of Manila and;
3. Attorney's fees of P10,000.00 to each plaintiff and intervenor, Ciriano Mijares; P20,000.00 to the City of Manila. (emphasis ours)

No pronouncement as to costs.

SO ORDERED.^[6]

Decision of the CA

On appeal, the CA, in CA-G.R. CV No. 86735, reversed the RTC's judgment,^[7] and dismissed the complaint. The CA declared that the petitioners were without the necessary interest, either legal or equitable title, to maintain a suit for quieting of title; castigated the RTC for acting like a mere rubber stamp of the majority of the commissioners; opined that the RTC should have conducted hearings on the reports of the commissioners; ruled as highly improper the adjudication of the boundary dispute in an action for quieting of title; and decreed:

WHEREFORE, premises considered, We hereby **REVERSE** and **SET ASIDE** the decision dated May 30, 2005 of the Regional Trial Court of Manila, Branch 32. **Civil Case No. 96-81167 is hereby DISMISSED** for utter want of merit. Accordingly, the questioned order enjoining Patricia and all other person/s acting on its stead (sic) to refrain and desist from evicting or ejecting plaintiffs/appellees in Patricia's own land and from collecting rentals is **LIFTED** effective immediately.

No costs.

SO ORDERED.^[8]

The CA denied the motions for reconsideration of the petitioners and intervenor Mijares through the assailed resolution of February 16, 2011.^[9]

Hence, this appeal by the petitioners.

Issues

The petitioners maintain that the CA erred in dismissing the complaint, arguing that the parties had openly raised and litigated the boundary issue in the RTC, and had thereby amended the complaint to conform to the evidence pursuant to Section 5, Rule 10 of the *Rules of Court*; that they had the sufficient interest to bring the suit for quieting of title because they had built their improvements on the property; and that the RTC correctly relied on the reports of the majority of the commissioners.

On its part, the City of Manila urges the Court to reinstate the decision of the RTC. It reprises the grounds relied upon by the petitioners, particularly the application of Section 5, Rule 10 of the *Rules of Court*.^[10]

In response, Patricia, Inc. counters that the boundary dispute, which the allegations of the complaint eventually boiled down to, was not proper in the action for quieting of title under Rule 63, *Rules of Court*; and that Section 5, Rule 10 of the *Rules of Court* did not apply to vest the authority to resolve the boundary dispute in the RTCC.^[11]

In other words, did the CA err in dismissing the petitioners' complaint?

Ruling of the Court

The appeal lacks merit.

1.

Jurisdiction over a real action depends on the assessed value of the property involved as alleged in the complaint

The complaint was ostensibly for the separate causes of action for injunction and for quieting of title. As such, the allegations that would support both causes of action must be properly stated in the complaint. One of the important allegations would be those vesting jurisdiction in the trial court.

The power of a court to hear and decide a controversy is called its jurisdiction, which includes the power to determine whether or not it has the authority to hear and determine the controversy presented, and the right to decide whether or not the statement of facts that confer jurisdiction exists, as well as all other matters that arise in the case legitimately before the court. Jurisdiction imports the power and authority to declare the law, to expound or to apply the laws exclusive of the idea of the power to make the laws, to hear and determine issues of law and of fact, the power to hear, determine, and pronounce judgment on the issues before the court, and the power to inquire into the facts, to apply the law, and to pronounce the judgment.^[12]

But judicial power is to be distinguished from jurisdiction in that the former cannot exist without the latter and must of necessity be exercised within the scope of the latter, not beyond it.^[13]

Jurisdiction is a matter of substantive law because it is conferred only by law, as distinguished from venue, which is a purely procedural matter. The conferring law may be the Constitution, or the statute organizing the court or tribunal, or the special or general statute defining the jurisdiction of an existing court or tribunal, but it must be in force at the time of the commencement of the action.^[14] Jurisdiction cannot be presumed or implied, but must appear clearly from the law or it will not be held to exist,^[15] but it may be conferred on a court or tribunal by necessary implication as well as by express terms.^[16] It cannot be conferred by the agreement of the parties;^[17] or by the court's acquiescence;^[18] or by the erroneous belief of the court that it had jurisdiction;^[19] or by the waiver of objections;^[20] or by the silence of the parties.^[21]

The three essential elements of jurisdiction are: *one*, that the court must have cognizance of the class of cases to which the one to be adjudged belongs; *two*, that the proper parties must be present; and, *three*, that the point decided must be, in substance and effect, within the issue. The test for determining jurisdiction is

ordinarily the nature of the case as made by the complaint and the relief sought; and the primary and essential nature of the suit, not its incidental character, determines the jurisdiction of the court relative to it.^[22]

Jurisdiction may be classified into original and appellate, the former being the power to take judicial cognizance of a case instituted for judicial action for the first time under conditions provided by law, and the latter being the authority of a court higher in rank to re-examine the final order or judgment of a lower court that tried the case elevated for judicial review. Considering that the two classes of jurisdiction are exclusive of each other, one must be expressly conferred by law. One does not flow, nor is inferred, from the other.^[23]

Jurisdiction is to be distinguished from its exercise.^[24] When there is jurisdiction over the person and subject matter, the decision of all other questions arising in the case is but an exercise of that jurisdiction.^[25] Considering that jurisdiction over the subject matter determines the power of a court or tribunal to hear and determine a particular case, its existence does not depend upon the regularity of its exercise by the court or tribunal.^[26] The test of jurisdiction is whether or not the court or tribunal had the power to enter on the inquiry, not whether or not its conclusions in the course thereof were correct, for the power to decide necessarily carries with it the power to decide wrongly as well as rightly. In a manner of speaking, the lack of the power to act at all results in a judgment that is void; while the lack of the power to render an erroneous decision results in a judgment that is valid until set aside.^[27] That the decision is erroneous does not divest the court or tribunal that rendered it of the jurisdiction conferred by law to try the case.^[28] Hence, if the court or tribunal has jurisdiction over the civil action, whatever error may be attributed to it is simply one of judgment, not of jurisdiction; appeal, not *certiorari*, lies to correct the error.^[29]

The exclusive original jurisdiction of the RTC in civil cases is conferred and provided for in Section 19 of Batas Pambansa Blg. 129 (*Judiciary Reorganization Act of 1980*), viz.:

Sec. 19. *Jurisdiction in civil cases.* - Regional Trial Courts shall exercise exclusive original jurisdiction:

- (1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation;
- (2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts;
- (3) In all actions in admiralty and maritime jurisdiction where the demand or claim exceeds twenty thousand pesos (P20,000.00);
- (4) In all matters of probate, both testate and intestate, where the gross value of the estate exceeds twenty thousand pesos (P20,000.00);
- (5) In all actions involving the contract of marriage and marital relations;