

THIRD DIVISION

[G.R. No. 208232, March 10, 2014]

SURVIVING HEIRS OF ALFREDO R. BAUTISTA, NAMELY: EPIFANIA G. BAUTISTA AND ZOEY G. BAUTISTA, PETITIONERS, VS. FRANCISCO LINDO AND WELHILMINA LINDO; AND HEIRS OF FILIPINA DAQUIGAN, NAMELY: MA. LOURDES DAQUIGAN, IMELDA CATHERINE DAQUIGAN, IMELDA DAQUIGAN AND CORSINO DAQUIGAN, REBECCA QUIAMCO AND ANDRES QUIAMCO, ROMULO LORICA AND DELIA LORICA, GEORGE CAJES AND LAURA CAJES, MELIDA BAÑEZ AND FRANCISCO BAÑEZ, MELANIE GOFREDO, GERVACIO CAJES AND ISABEL CAJES, EGMEDIO SEGOVIA AND VERGINIA SEGOVIA, ELSA N. SAM, PEDRO M. SAM AND LINA SAM, SANTIAGO MENDEZ AND MINA MENDEZ, HELEN M. BURTON AND LEONARDO BURTON, JOSE JACINTO AND BIENVENIDA JACINTO, IMELDA DAQUIGAN, LEO MATIGA AND ALICIA MATIGA, FLORENCIO ACEDO JR., AND LYL VALERIO, RESPONDENTS.

D E C I S I O N

VELASCO JR., J.:

The Case

This is a Petition for Review on Certiorari under Rule 45 assailing the April 25, 2013 Order of the Regional Trial Court (RTC) in Civil Case No. (1798)-021 as well as its Order of July 3, 2013 denying reconsideration.

The Facts

Alfredo R. Bautista (Bautista), petitioner's predecessor, inherited in 1983 a free-patent land located in Poblacion, Lupon, Davao Oriental and covered by Original Certificate of Title (OCT) No. (1572) P-6144. A few years later, he subdivided the property and sold it to several vendees, herein respondents, via a notarized deed of absolute sale dated May 30, 1991. Two months later, OCT No. (1572) P-6144 was canceled and Transfer Certificates of Title (TCTs) were issued in favor of the vendees.^[1]

Three years after the sale, or on August 5, 1994, Bautista filed a complaint for repurchase against respondents before the RTC, Branch 32, Lupon, Davao Oriental, docketed as Civil Case No. 1798,^[2] anchoring his cause of action on Section 119 of Commonwealth Act No. (CA) 141, otherwise known as the "Public Land Act," which reads:

SECTION 119. Every conveyance of land acquired under the free patent or homestead provisions, when proper, shall be subject to repurchase by the applicant, his widow, or legal heirs, within a period of five years from the date of the conveyance.

Respondents, in their Answer, raised lack of cause of action, estoppel, prescription, and laches, as defenses.

Meanwhile, during the pendency of the case, Bautista died and was substituted by petitioner Epifania G. Bautista (Epifania).

Respondents Francisco and Welhilmina Lindo later entered into a compromise agreement with petitioners, whereby they agreed to cede to Epifania a three thousand two hundred and thirty square meter (3,230 sq.m.)-portion of the property as well as to waive, abandon, surrender, and withdraw all claims and counterclaims against each other. The compromise was approved by the RTC in its Decision dated January 27, 2011, the *fallo* of which reads:

WHEREFORE, a **DECISION** is hereby rendered based on the above-quoted **Compromise Agreement** and the parties are enjoined to strictly comply with the terms and conditions of the same.

SO ORDERED.^[3]

Other respondents, however, filed a Motion to Dismiss^[4] dated February 4, 2013, alleging that the complaint failed to state the value of the property sought to be recovered. Moreover, they asserted that the total selling price of all the properties is only sixteen thousand five hundred pesos (PhP 16,500), and the selling price or market value of a property is always higher than its assessed value. Since *Batas Pambansa Blg.* (BP) 129, as amended, grants jurisdiction to the RTCs over civil actions involving title to or possession of real property or interest therein where the assessed value is more than PhP 20,000, then the RTC has no jurisdiction over the complaint in question since the property which Bautista seeks to repurchase is below the PhP 20,000 jurisdictional ceiling.

RTC Ruling^[5]

Acting on the motion, the RTC issued the assailed order dismissing the complaint for lack of jurisdiction. The trial court found that Bautista failed to allege in his complaint that the value of the subject property exceeds 20 thousand pesos. Furthermore, what was only stated therein was that the total and full refund of the purchase price of the property is PhP 16,500. This omission was considered by the RTC as fatal to the case considering that in real actions, jurisdictional amount is determinative of whether it is the municipal trial court or the RTC that has jurisdiction over the case.

With respect to the belated filing of the motion, the RTC, citing *Cosco Philippines Shipping, Inc. v. Kemper Insurance Company*,^[6] held that a motion to dismiss for lack of jurisdiction may be filed at any stage of the proceedings, even on appeal,

and is not lost by waiver or by estoppel. The dispositive portion of the assailed Order reads:

WHEREFORE, the complaint for Repurchase, Consignation, with Preliminary Injunction and Damages is hereby **dismissed** for lack of jurisdiction.

SO ORDERED.^[7]

Assignment of Errors

Their motion for reconsideration having been denied, petitioners now seek recourse before this Court with the following assigned errors:

I

THE PUBLIC RESPONDENT RTC ERRED IN ADMITTING THE MOTION TO DISMISS DATED FEBRUARY 4, 2013, BELATEDLY FILED BY THE PRIVATE RESPONDENTS IN THE CASE.

II

THE PUBLIC RESPONDENT RTC ERRED IN HOLDING THAT THE INSTANT CASE FOR REPURCHASE IS A REAL ACTION.^[8]

The Issue

Stated differently, the issue for the Court's resolution is: whether or not the RTC erred in granting the motion for the dismissal of the case on the ground of lack of jurisdiction over the subject matter.

Arguments

Petitioners argue that respondents belatedly filed their Motion to Dismiss and are now estopped from seeking the dismissal of the case, it having been filed nine (9) years after the filing of the complaint and after they have actively participated in the proceedings. Additionally, they allege that an action for repurchase is not a real action, but one incapable of pecuniary estimation, it being founded on privity of contract between the parties. According to petitioners, what they seek is the enforcement of their right to repurchase the subject property under Section 119 of CA 141.

Respondents, for their part, maintain that since the land is no longer devoted to agriculture, the right of repurchase under said law can no longer be availed of, citing *Santana v. Mariñas*.^[9] Furthermore, they suggest that petitioners intend to resell the property for a higher profit, thus, the attempt to repurchase. This, according to respondents, goes against the policy and is not in keeping with the spirit of CA 141 which is the preservation of the land gratuitously given to patentees by the State as

a reward for their labor in cultivating the property. Also, the Deed of Absolute Sale presented in evidence by Bautista was unilaterally executed by him and was not signed by respondents. Lastly, respondents argue that repurchase is a real action capable of pecuniary estimation.

Our Ruling

The petition is meritorious.

Jurisdiction of courts is granted by the Constitution and pertinent laws.

Jurisdiction of RTCs, as may be relevant to the instant petition, is provided in Sec. 19 of BP 129, which reads:

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, where the assessed value of the property involved exceeds Twenty thousand pesos (P20,000.00) or, for civil actions in Metro Manila, where such value exceeds Fifty thousand pesos (P50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts.

On the other hand, jurisdiction of first level courts is prescribed in Sec. 33 of BP 129, which provides:

Sec. 33. *Jurisdiction of Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in civil cases.* — Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:

x x x x

- 3) 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 Twenty thousand pesos (P20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty thousand pesos (P50,000.00) exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs: *Provided*, That in cases of land not declared for taxation purposes, the value of such property shall be determined by the assessed value of the adjacent lots.