

## THIRD DIVISION

[ G.R. NO. 181303, September 17, 2009 ]

**CARMEN DANA O MALANA, MARIA DANA O ACORDA, EVELYN DANA O, FERMINA DANA O, LETICIA DANA O AND LEONORA DANA O, THE LAST TWO ARE REPRESENTED HEREIN BY THEIR ATTORNEY-IN-FACT, MARIA DANA O ACORDA, PETITIONERS, VS. BENIGNO TAPPA, JERRY REYNA, SATURNINO CAMBRI AND SPOUSES FRANCISCO AND MARIA LIGUTAN, RESPONDENTS.**

### DECISION

**CHICO-NAZARIO, J.:**

This is a Petition for *Certiorari* under Rule 65 of the Rules of Court, assailing the Orders<sup>[1]</sup> dated 4 May 2007, 30 May 2007, and 31 October 2007, rendered by Branch 3 of the Regional Trial Court (RTC) of Tuguegarao City, which dismissed, for lack of jurisdiction, the Complaint of petitioners Carmen Danao Malana, Leticia Danao, Maria Danao Accorda, Evelyn Danao, Fermina Danao, and Leonora Danao, against respondents Benigno Tappa, Jerry Reyna, Saturnino Cambri, Francisco Ligutan and Maria Ligutan, in Civil Case No. 6868.

Petitioners filed before the RTC their Complaint for Reivindicacion, Quieting of Title, and Damages<sup>[2]</sup> against respondents on 27 March 2007, docketed as Civil Case No. 6868. Petitioners alleged in their Complaint that they are the owners of a parcel of land covered by Transfer Certificate of Title (TCT) No. T-127937<sup>[3]</sup> situated in Tuguegarao City, Cagayan (subject property). Petitioners inherited the subject property from Anastacio Danao (Anastacio), who died intestate.<sup>[4]</sup> During the lifetime of Anastacio, he had allowed Consuelo Pauig (Consuelo), who was married to Joaquin Boncad, to build on and occupy the southern portion of the subject property. Anastacio and Consuelo agreed that the latter would vacate the said land at any time that Anastacio and his heirs might need it.<sup>[5]</sup>

Petitioners claimed that respondents, Consuelo's family members,<sup>[6]</sup> continued to occupy the subject property even after her death, already building their residences thereon using permanent materials. Petitioners also learned that respondents were claiming ownership over the subject property. Averring that they already needed it, petitioners demanded that respondents vacate the same. Respondents, however, refused to heed petitioners' demand.<sup>[7]</sup>

Petitioners referred their land dispute with respondents to the *Lupong Tagapamayapa* of Barangay Annafunan West for conciliation. During the conciliation proceedings, respondents asserted that they owned the subject property and presented documents ostensibly supporting their claim of ownership.

According to petitioners, respondents' documents were highly dubious, falsified, and

incapable of proving the latter's claim of ownership over the subject property; nevertheless, they created a cloud upon petitioners' title to the property. Thus, petitioners were compelled to file before the RTC a Complaint to remove such cloud from their title.<sup>[8]</sup> Petitioners additionally sought in their Complaint an award against respondents for actual damages, in the amount of P50,000.00, resulting from the latter's baseless claim over the subject property that did not actually belong to them, in violation of Article 19 of the Civil Code on Human Relations.<sup>[9]</sup> Petitioners likewise prayed for an award against respondents for exemplary damages, in the amount of P50,000.00, since the latter had acted in bad faith and resorted to unlawful means to establish their claim over the subject property. Finally, petitioners asked to recover from respondents P50,000.00 as attorney's fees, because the latter's refusal to vacate the property constrained petitioners to engage the services of a lawyer.<sup>[10]</sup>

Before respondents could file their answer, the RTC issued an Order dated 4 May 2007 dismissing petitioners' Complaint on the ground of lack of jurisdiction. The RTC referred to Republic Act No. 7691,<sup>[11]</sup> amending Batas Pambansa Blg. 129, otherwise known as the Judiciary Reorganization Act of 1980, which vests the RTC with jurisdiction over real actions, where the assessed value of the property involved exceeds P20,000.00. It found that the subject property had a value of less than P20,000.00; hence, petitioners' action to recover the same was outside the jurisdiction of the RTC. The RTC decreed in its 4 May 2007 Order that:

The Court has no jurisdiction over the action, it being a real action involving a real property with assessed value less than P20,000.00 and hereby dismisses the same without prejudice.<sup>[12]</sup>

Petitioners filed a Motion for Reconsideration of the aforementioned RTC Order dismissing their Complaint. They argued that their principal cause of action was for quieting of title; the *accion reivindicacion* was included merely to enable them to seek complete relief from respondents. Petitioner's Complaint should not have been dismissed, since Section 1, Rule 63 of the Rules of Court<sup>[13]</sup> states that an action to quiet title falls under the jurisdiction of the RTC.<sup>[14]</sup>

In an Order dated 30 May 2007, the RTC denied petitioners' Motion for Reconsideration. It reasoned that an action to quiet title is a real action. Pursuant to Republic Act No. 7691, it is the Municipal Trial Court (MTC) that exercises exclusive jurisdiction over real actions where the assessed value of real property does not exceed P20,000.00. Since the assessed value of subject property per Tax Declaration No. 02-48386 was P410.00, the real action involving the same was outside the jurisdiction of the RTC.<sup>[15]</sup>

Petitioners filed another pleading, simply designated as Motion, in which they prayed that the RTC Orders dated 4 May 2007 and 30 May 2007, dismissing their Complaint, be set aside. They reiterated their earlier argument that Section 1, Rule 63 of the Rules of Court states that an action to quiet title falls under the exclusive jurisdiction of the RTC. They also contended that there was no obstacle to their joining the two causes of action, *i.e.*, quieting of title and *reivindicacion*, in a single Complaint, citing *Rumarate v. Hernandez*.<sup>[16]</sup> And even if the two causes of action

could not be joined, petitioners maintained that the misjoinder of said causes of action was not a ground for the dismissal of their Complaint.<sup>[17]</sup>

The RTC issued an Order dated 31 October 2007 denying petitioners' Motion. It clarified that their Complaint was dismissed, not on the ground of misjoinder of causes of action, but for lack of jurisdiction. The RTC dissected Section 1, Rule 63 of the Rules of Court, which provides:

Section 1. *Who may file petition.* Any person interested under a deed, will, contract or other written instrument, or whose rights are affected by a statute, executive order or regulation, ordinance, or any other governmental regulation may, before breach or violation thereof, bring an action in the appropriate Regional Trial Court to determine any question of construction or validity arising, and for a declaration of his rights or duties, thereunder.

An action for the reformation of an instrument, to quiet title to real property or remove clouds therefrom, or to consolidate ownership under Article 1607 of the Civil Code, may be brought under this Rule.

The RTC differentiated between the first and the second paragraphs of Section 1, Rule 63 of the Rules of Court. The first paragraph refers to an action for declaratory relief, which should be brought before the RTC. The second paragraph, however, refers to a different set of remedies, which includes an action to quiet title to real property. The second paragraph must be read in relation to Republic Act No. 7691, which vests the MTC with jurisdiction over real actions, where the assessed value of the real property involved does not exceed P50,000.00 in Metro Manila and P20,000.00 in all other places.<sup>[18]</sup> The dispositive part of the 31 October 2007 Order of the RTC reads:

This Court maintains that an action to quiet title is a real action. [Herein petitioners] do not dispute the assessed value of the property at P410.00 under Tax Declaration No. 02-48386. Hence, it has no jurisdiction over the action.

In view of the foregoing considerations, the Motion is hereby denied.<sup>[19]</sup>

Hence, the present Petition, where petitioners raise the sole issue of:

## I

WHETHER OR NOT THE RESPONDENT JUDGE COMMITTED GRAVE ABUSE OF DISCRETION IN DISMISSING THE COMPLAINT OF THE PETITIONERS MOTU PROPRIO.<sup>[20]</sup>

Petitioners' statement of the issue is misleading. It would seem that they are only challenging the fact that their Complaint was dismissed by the RTC *motu proprio*.

Based on the facts and arguments set forth in the instant Petition, however, the Court determines that the fundamental issue for its resolution is whether the RTC committed grave abuse of discretion in dismissing petitioners' Complaint for lack of jurisdiction.

The Court rules in the negative.

An action for declaratory relief should be filed by a person interested under a deed, a will, a contract or other written instrument, and whose rights are affected by a statute, an executive order, a regulation or an ordinance. The relief sought under this remedy includes the interpretation and determination of the validity of the written instrument and the judicial declaration of the parties' rights or duties thereunder.<sup>[21]</sup>

Petitions for declaratory relief are governed by Rule 63 of the Rules of Court. The RTC correctly made a distinction between the first and the second paragraphs of Section 1, Rule 63 of the Rules of Court.

The first paragraph of Section 1, Rule 63 of the Rules of Court, describes the general circumstances in which a person may file a petition for declaratory relief, to wit:

Any person interested under a deed, will, contract or other written instrument, or whose rights are affected by a statute, executive order or regulation, ordinance, or any other governmental regulation **may**, before breach or violation thereof, bring an action in the appropriate Regional Trial Court to determine any question of construction or validity arising, and for a declaration of his rights or duties, thereunder. (Emphasis ours.)

As the afore-quoted provision states, a petition for declaratory relief under the first paragraph of Section 1, Rule 63 may be brought before the appropriate RTC.

Section 1, Rule 63 of the Rules of Court further provides in its second paragraph that:

An action for the reformation of an instrument, to quiet title to real property or remove clouds therefrom, or to consolidate ownership under Article 1607 of the Civil Code, **may** be brought under this Rule. (Emphasis ours.)

The second paragraph of Section 1, Rule 63 of the Rules of Court specifically refers to (1) an action for the reformation of an instrument, recognized under Articles 1359 to 1369 of the Civil Code; (2) an action to quiet title, authorized by Articles 476 to 481 of the Civil Code; and (3) an action to consolidate ownership required by Article 1607 of the Civil Code in a sale with a right to repurchase. These three remedies are considered similar to declaratory relief because they also result in the adjudication of the legal rights of the litigants, often without the need of execution to carry the judgment into effect.<sup>[22]</sup>

To determine which court has jurisdiction over the actions identified in the second