



Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

HEIRS OF DANILO ARRIENDA, ROSA
G. ARRIENDA, MA. CHARINA ROSE
ARRIENDA-ROMANO, MA.
CARMELLIE ARRIENDA-MARA,
DANILO MARIA ALVIN G.
ARRIENDA, JR., and JESUS FRANCIS
DOMINIC G. ARRIENDA,
Petitioners,

G.R. No. 204314

Present:

VELASCO, JR., J., *Chairperson*,
PERALTA,
REYES,
PEREZ, and
JARDELEZA, JJ.

- versus -

ROSARIO KALAW,
Respondent.

Promulgated:

April 6, 2016

X-----

DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* seeking to reverse and set aside the Decision¹ and Resolution² of the Court of Appeals (CA), dated April 26, 2012 and October 30, 2012, respectively, in CA-G.R. SP No. 118687. The assailed CA Decision reversed and set aside the Decision of the Regional Trial Court (RTC) of Calamba City, Branch 35, in an unlawful detainer case docketed as Civil Case No. 3361-03-C, while the CA Resolution denied petitioners' motion for reconsideration.

The facts of the case are as follows:

On January 18, 2001, Danilo Arrienda (*Arrienda*) filed against herein respondent and three other persons a Complaint³ for unlawful detainer with the Municipal Trial Court (MTC) of Calauan, Laguna, alleging that: he is the

¹ Penned by Associate Justice Marlene Gonzales-Sison, with Associate Justices Hakim S. Abdulwahid and Leoncia R. Dimagiba, concurring; Annex "A" to Petition, *rollo*, pp. 34-42.

² *Id.* at 44-45.

³ Records, Vol. I, pp. 5-8.

owner of an 11,635 square-meter parcel of land located along National Road, Barangay Lamot 2, Calauan, Laguna; the seller of the property warranted that the same is not tenanted and is free from any occupants or claimants; despite such warranty, Arrienda later discovered, that a portion of it was actually being occupied by herein respondent and the other defendants; after talking to respondent and the other defendants, petitioner allowed them to continue occupying the premises in which they have settled, subject to the condition that they will immediately vacate the same upon prior notice by Arrienda that he will be needing it; sometime in November 2000, Arrienda, informed respondent and the other defendants of his intention to use the subject land; despite repeated demands, the last of which was a letter dated December 7, 2000, respondent and the other defendants failed and refused to vacate the disputed premises. Hence, the complaint, praying that respondent and the other defendants be ordered to vacate the premises and restore possession thereof to Arrienda; to pay a reasonable amount for the use and occupation of the same; and to pay moral and exemplary damages, attorney's fees and costs of suit.

In her Answer with Counterclaims,⁴ respondent denied the material allegations in Arrienda's Complaint and contended that: the MTC has no jurisdiction over the nature of the action, considering that the main issue in the case is the ownership of the disputed lot and not simply who among the parties is entitled to possession *de facto* of the same; the issue of ownership converts the unlawful detainer suit into one which is incapable of pecuniary estimation and, as such, the case should be placed under the exclusive jurisdiction of the RTC; the subject lot is an agricultural land of which respondent was a tenant; she and her family later obtained ownership over the subject property when their landlord donated the said property to them; Arrienda failed to secure a Certification from the Department of Agrarian Reform that the disputed premises is not really an agricultural land, which is a condition precedent in the filing of the case. As counterclaim, respondent alleged that, by reason of Arrienda's bad faith, greed and malice in filing the complaint, she suffered from anxiety, wounded feelings and similar injuries and was forced to engage the services of a counsel to defend her rights. As such, she prayed that Arrienda be ordered to pay moral damages, attorney's fees, litigation expenses and other reliefs which the court may deem just and equitable.

The other defendants adopted respondent's Answer with Counterclaim.

After Arrienda filed his Reply,⁵ the parties subsequently submitted their Position Papers.

⁴ *Id.* at 20-27.

⁵ *Id.* at 48-52.

On November 20, 2002, the MTC rendered its Decision⁶ dismissing the complaint on the ground of lack of jurisdiction, holding as follows:

x x x x

[I]t is well settled that the mere allegation by the defendant in an ejectment case that he is the owner of the property involved therein does not and cannot divest the inferior court of its jurisdiction over the case. But if [it] appears during the trial that by the nature of proof presented, the question of possession cannot be properly determined without settling that of ownership, then the jurisdiction of the court is lost and action should be DISMISSED. x x x Further, Plaintiff must not only prove his ownership of the property but must also identify the land he claim[s] to remove uncertainties.⁷

x x x x

The counterclaims of respondent and the other defendants were likewise dismissed on the ground that the complaint was not maliciously filed.

On appeal by Arrienda, the RTC agreed with the MTC that jurisdiction lies with the RTC. The RTC then took cognizance of the case and conducted trial. On April 6, 2010, the RTC rendered its Decision disposing as follows:

WHEREFORE, premises considered, judgment is hereby rendered ordering the **defendants-appellees Rosario Kalaw, Felix Taklan, Maximo Valenzuela and Felicidad Ulan** and all persons claiming rights under them to vacate the parcel of land situated at National Road, Barangay Lamot 2, Calauan, Laguna, covered by Transfer Certificate of Title No. T-204409 containing an area of 11,635 square meters, more or less, and restore the same to the plaintiff-appellant Danilo T. Arrienda. The defendants are likewise ordered to pay plaintiff the sum of P10,000.00 as attorney's fees and the sum of ₱500.00 per month as reasonable rental for the use and occupation of the premises beginning January 2001 until the premises are finally vacated.

SO ORDERED.⁸

In so ruling, the RTC held that since it was established that Arrienda is the owner of the subject lot, he is, under the law, entitled to all the attributes of ownership of the property, including possession thereof.

Aggrieved by the RTC Decision, respondent filed a petition for review with the CA. Pending resolution of respondent's appeal, Arrienda died and was substituted by his heirs.

⁶ *Rollo*, pp. 103-106

⁷ *Id.* at 106.

⁸ *Id.* at 193. (Emphasis in the original)

On April 26, 2012, the CA promulgated its assailed Decision reversing and setting aside the RTC Decision. The CA held that the RTC did not acquire jurisdiction over the case for Arrienda's failure to allege the assessed value of the subject property and, as a consequence, the assailed RTC Decision is null and void.

Herein petitioners filed their Motion for Reconsideration, but the CA denied it in its October 30, 2012 Resolution.

Hence, the instant petition based on the following grounds:

I

WITH ALL DUE RESPECT, THE HONORABLE COURT OF APPEALS MUST HAVE BEEN CONFUSED WITH THE ORIGINAL AND APPELLATE JURISDICTION OF THE REGIONAL TRIAL COURTS.

II

IT BEING OBVIOUS, AND AS SO ADMITTED BY THE HONORABLE COURT OF APPEALS THAT "IN THIS CASE, ARRIENDA'S COMPLAINT FOR UNLAWFUL DETAINER DATED 17 JANUARY 2001 WAS FIRST FILED WITH THE MTC OF CALAUAN, LAGUNA," THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN RULING: "THUS, FOR FAILURE OF ARRIENDA TO DISCLOSE THE ASSESSED VALUE OF THE SUBJECT PROPERTY IN HIS COMPLAINT, THE COURT A QUO IS BEREFT OF JURISDICTION OF TAKING COGNIZANCE OF THE CASE. WITHOUT ANY JURISDICTION THEN, THE ASSAILED DECISION AND RESOLUTION ARE NULL AND VOID."

III

WITH ALL DUE RESPECT, THE QUESTIONED APRIL 26, 2012 DECISION AND OCTOBER 30, 2012 RESOLUTION OF THE HONORABLE COURT OF APPEALS WOULD WIPE OUT SECTION 8, RULE 40 ON "APPEAL FROM ORDERS DISMISSING CASE WITHOUT TRIAL; LACK OF JURISDICTION" FROM THE 1997 RULES OF CIVIL PROCEDURE, IF NOT NULLIFIED BY THIS HONORABLE SUPREME COURT.⁹

The petition is meritorious.

The basic issue in the instant petition is whether or not the RTC has jurisdiction over Arrienda's appeal of the MTC Decision.

The Court rules in the affirmative.

⁹ *Id.* at 19.

It bears to reiterate that under Batas Pambansa Bilang. 129 (*B.P. Blg. 129*), as amended by Republic Act No. 7691 (*RA 7691*), RTCs are endowed with original and appellate jurisdictions.

For purposes of the present petition, Section 19 of B.P. Blg. 129, as amended, provides for the RTCs' exclusive original jurisdiction in civil cases involving title to or possession of real property or any interest therein, pertinent portions of which read as follows:

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

X X X X

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 (₱20,000.00) or for civil actions in Metro Manila, where such value exceeds Fifty thousand pesos (₱50,000.00), 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.

X X X

Based on the amendments introduced by RA 7691, real actions no longer reside under the exclusive original jurisdiction of the RTCs. Under the said amendments, Metropolitan Trial Courts (*MeTCs*), Municipal Trial Courts (*MTCs*) and Municipal Circuit Trial Courts (*MCTCs*) now have jurisdiction over real actions if the assessed value of the property involved does not exceed ₱20,000.00, or in Metro Manila, where such assessed value does not exceed ₱50,000.00. Otherwise, if the assessed value exceeds ₱20,000.00 or ₱50,000.00, as the case may be, jurisdiction is with the RTC.

On the other hand, the RTCs' appellate jurisdiction, as contrasted to its original jurisdiction, is provided in Section 22 of B.P. Blg. 129, as amended, thus:

SECTION 22. *Appellate jurisdiction.* – Regional Trial Courts shall exercise appellate jurisdiction over all cases decided by Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts in their respective territorial jurisdictions. Such cases shall be decided on the basis of the entire record of the proceedings had in the court of origin such memoranda and/or briefs as may be submitted by the parties or required by the Regional Trial Courts.¹⁰

¹⁰ Emphasis supplied.

From the above-quoted provision, it is clear that the RTC exercises appellate jurisdiction over all cases decided by first level courts in their respective territorial jurisdictions.

Thus, in the present case, when the RTC took cognizance of Arrienda's appeal from the adverse decision of the MTC in the ejectment suit, it (RTC) was unquestionably exercising its appellate jurisdiction as mandated by law. Perforce, its decision may not be annulled on the basis of lack of jurisdiction as the RTC has, beyond question, jurisdiction to decide the appeal and its decision should be deemed promulgated in the exercise of that jurisdiction.

The Court does not agree with the ruling of the CA that the RTC lacks jurisdiction over the case on the ground that Arrienda failed to allege the assessed value of the subject land in his Complaint.

It is true that under the prevailing law, as discussed above, in actions involving title to or possession of real property or any interest therein, there is a need to allege the assessed value of the real property subject of the action, or the interest therein, for purposes of determining which court (*MeTC/MTC/MCTC or RTC*) has jurisdiction over the action. However, it must be clarified that this requirement applies only if these courts are in the exercise of their original jurisdiction.¹¹ In the present case, the RTC was exercising its appellate, not original, jurisdiction when it took cognizance of Arrienda's appeal and Section 22 of B.P. Blg. 129 does not provide any amount or value of the subject property which would limit the RTC's exercise of its appellate jurisdiction over cases decided by first level courts. Clearly then, in the instant case, contrary to the ruling of the CA, the assessed value of the disputed lot is immaterial for purposes of the RTC's appellate jurisdiction.¹² Indeed, all cases decided by the MTC are generally appealable to the RTC irrespective of the amount involved.¹³ Hence, the CA erred in nullifying the RTC decision for lack of jurisdiction.

Finally, in coming up with its Decision, the RTC made an exhaustive and definitive finding on Arrienda's main cause of action. It is within the RTC's competence to make this finding in the exercise of its appellate jurisdiction, as it would, in the exercise of its original jurisdiction.¹⁴

WHEREFORE, the instant petition is **GRANTED**. The Decision and Resolution of the Court of Appeals, dated April 26, 2012 and October 30, 2012, respectively, in CA-G.R. SP No. 118687 are **SET ASIDE**. The

¹¹ See *Serrano v. Gutierrez*, 537 Phil. 187, 196 (2006).

¹² *Wilfred De Vera, et al. v. Spouses Eugenio, Sr. and Esperanza H. Santiago*, G.R. No. 179457, June 22, 2015.

¹³ *Id.*

¹⁴ *Serrano v. Gutierrez*, *supra* note 10.

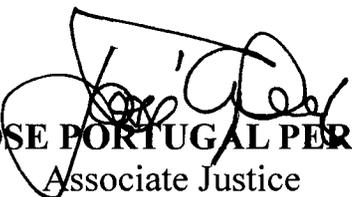
Decision of the Regional Trial Court of Calamba City, Branch 35, dated April 6, 2010, in Civil Case No. 3361-03-C, is **REINSTATED**.

SO ORDERED.


DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:


PERESBITERO J. VELASCO, JR.
Associate Justice
Chairperson


JOSE PORTUGAL PEREZ
Associate Justice


BIENVENIDO L. REYES
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice

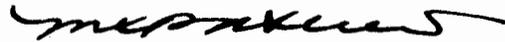
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice