Supreme Court E-Library

WHEREFORE, the instant petition is *DENIED*. The Decision of the Court of Appeals, dated March 18, 2002 in CA-G.R. CV No. 38859, is *AFFIRMED.*

SO ORDERED.

Carpio,[*] *Velasco, Jr. (Chairperson), Abad,* and *Mendoza, JJ.,* concur.

THIRD DIVISION

[G.R. No. 165777. July 25, 2011]

CEFERINA DE UNGRIA [DECEASED], substituted by her HEIRS, represented by LOLITA UNGRIA SAN JUAN-JAVIER, and RHODORA R. PELOMIDA as their Attorney-in-fact, *petitioner, vs.* **THE HONORABLE COURT OF APPEALS, THE HONORABLE REGIONAL TRIAL COURT OF GENERAL SANTOS CITY, BRANCH 35, ROSARIO DIDELES *VDA. DE* CASTOR, NEPTHALIE CASTOR ITUCAS, FEROLYN CASTOR FACURIB, RACHEL DE CASTOR, LEA CASTOR DOLLOLOSA, and ROSALIE CASTOR BENEDICTO,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; IN THE CASE OF JOINDER OF CAUSES OF ACTION WHICH COMPREHENDS MORE THAN THE ISSUE OF POSSESSION AND INTEREST IN THE REAL PROPERTY AND INCLUDES AN ACTION TO ANNUL CONTRACTS AND RECONVEYANCE WHICH ARE INCAPABLE OF

[*] Designated as an additional member per Special Order No. 1042 dated July 6, 2011.

Supreme Court E-Library

PECUNIARY ESTIMATION, JURISDICTION LIES IN THE REGIONAL TRIAL COURT; SUSTAINED; CASE AT BAR. — It would appear that the first cause of action involves the issue of recovery of possession and interest of the parties over the subject land which is a real action. Respondents alleged that the assessed value of the subject land was ₱12,780.00 based on Tax Declaration No. 15272. Thus, since it is a real action with an assessed value of less than ₱20,000.00, the case would fall under the jurisdiction of the MTC as provided under the above-quoted Section 33 (3) of BP 129, as amended. Notably, however, respondents in the same Complaint filed alternative causes of action assailing the validity of the Deed of Transfer of Rights and Interest executed by Fernando in favor of petitioner's father. Respondents also sought for the reconveyance to respondent Rosario of the undivided one-half portion of the subject land as conjugal owner thereof in case the Deed of Transfer of Rights and Interest will be upheld as valid; and/or for redemption of the subject land. Clearly, this is a case of joinder of causes of action which comprehends more than the issue of possession of, or any interest in the real property under contention, but includes an action to annul contracts and reconveyance which are incapable of pecuniary estimation and, thus, properly within the jurisdiction of the RTC.

2. **ID.; ID.; ID.; PAYMENT OF DOCKET FEE; IT IS NOT SIMPLY THE FILING OF THE COMPLAINT OR APPROPRIATE INITIATORY PLEADING, BUT THE PAYMENT OF THE PRESCRIBED DOCKET FEE, THAT VESTS A TRIAL COURT WITH JURISDICTION OVER THE SUBJECT MATTER OR NATURE OF ACTION; APPLICATION IN CASE AT BAR.**— It is a settled rule in this jurisdiction that when an action is filed in court, the complaint must be accompanied by the payment of the requisite docket and filing fees. It is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject matter or nature of the action. x x x Since we find that the case involved the annulment of contract which is not susceptible of pecuniary estimation, thus, falling within the jurisdiction of the RTC, the docket fees should not be based on the assessed value of the subject land as claimed by petitioner in their memorandum, but should be based on Section 7(b)(1) of Rule 141. A perusal of the entries in the

Supreme Court E-Library

Legal Fees Form attached to the records would reflect that the amount of ₱400.00 was paid to the Clerk of Court, together with the other fees, as assessed by the Clerk of Court. Thus, upon respondents' proof of payment of the assessed fees, the RTC has properly acquired jurisdiction over the complaint. Jurisdiction once acquired is never lost, it continues until the case is terminated.

3. ID.; ID.; ID.; ID.; ID.; FILING FEES FOR DAMAGES AND AWARDS THAT CANNOT BE ESTIMATED CONSTITUTE LIENS ON THE JUDGMENT; RULING IN *SUN INSURANCE OFFICE, LTD. V. ASUNCION,* APPLICABLE IN CASE AT BAR.— SC Circular No. 7 was brought about by our ruling in *Manchester Development Corporation v. Court of Appeals*, where we held that a pleading which does not specify in the prayer the amount of damages being asked for shall not be accepted or admitted, or shall otherwise be expunged from the record; and that the Court acquires jurisdiction over any case only upon the payment of the prescribed docket fee. However, *Sun Insurance Office, Ltd. v. Asuncion*, we laid down the following guidelines in the payment of docket fees x x x. *Sun Insurance* effectively modified SC Circular No. 7 by providing that filing fees for damages and awards that cannot be estimated constitute liens on the awards finally granted by the trial court. x x x judgment awards which were left for determination by the court or as may be proven during trial would still be subject to additional filing fees which shall constitute a lien on the judgment. It would then be the responsibility of the Clerk of Court of the trial court or his duly-authorized deputy to enforce said lien and assess and collect the additional fees. A reading of the allegations in the complaint would show that the amount of the rental due can only be determined after a final judgment, since there is a need to show supporting evidence when the petitioner and the other defendants started to possess the subject land. Thus, we find no reversible error committed by the CA when it ruled that there was no grave abuse of discretion committed by the RTC in issuing its Order dated March 30, 2000, where the RTC stated that "since there was no hearing yet, respondents are not in a position to determine how much is to be charged and that after hearing, the Clerk of Court determines that the filing fee is still insufficient, the same shall be considered as lien on the judgment that may be entered."

Supreme Court E-Library

4. CIVIL LAW; LAND REGISTRATION; NO TITLE TO REGISTERED LAND IN DEROGATION OF THE RIGHTS OF THE REGISTERED OWNER SHALL BE ACQUIRED BY PRESCRIPTION OR ADVERSE POSSESSION.— It is a well-entrenched rule in this jurisdiction that no title to registered land in derogation of the rights of the registered owner shall be acquired by prescription or adverse possession. Prescription is unavailing not only against the registered owner but also against his hereditary successors.

5. ID.; PRESCRIPTION; WITHOUT EVIDENTIARY BASIS, LACHES CANNOT BE A VALID GROUND TO DISMISS THE COMPLAINT; APPLICATION IN CASE AT BAR.— Anent petitioner's defense of laches, the same is evidentiary in nature and cannot be established by mere allegations in the pleadings. Without solid evidentiary basis, laches cannot be a valid ground to dismiss respondents' complaint. Notably, the allegations of respondents in their petition filed before the RTC: x x x would not conclusively establish *laches*. Thus, it is necessary for petitioners to proceed to trial and present controverting evidence to prove the elements of *laches*.

APPEARANCES OF COUNSEL

Andres Feble Rosario & Chan Law Office and *Benjamin B. Cuanan* for petitioner.

Landero & Peralta Law Offices for respondents.

D E C I S I O N

PERALTA, *J.*:

Assailed in this petition for review on *certiorari* are the Decision[1] dated May 26, 2004 and the Resolution[2] dated September 17, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 60764.

[1] Penned by Justice Japar B. Dimaampao, with Associate Justices Teresita Dy-Liacco Flores and Edgardo A. Camello, concurring; *rollo*, pp. 126-132.

[2] *Id.* at 175-179.

Supreme Court E-Library

On August 26, 1999, respondents Rosario Dideles *Vda. de* Castor (Rosario), Nepthalie Castor Itucas, Ferolyn Castor Facurib (Ferolyn), Rachel De Castor, Lea Castor Dollolosa and Rosalie Castor Benedicto, filed with the Regional Trial Court (RTC) of General Santos City a Complaint[3] for ownership, possession and damages, and alternative causes of action either to declare two documents as patent nullities, and/or for recovery of Rosario's conjugal share with damages or redemption of the subject land against petitioner Ceferina de Ungria, defendants Avelino Gumban, Dolores Cagaitan, Zacasio Poutan, PO1 Jonas Montales, Ignacio Olarte and *alias* Dory. Respondent Rosario is the surviving wife of the late Fernando Castor, while the rest of the respondents are their legitimate children. The documents they sought to annul are (1) the Deed of Transfer of Rights and Interest including Improvements thereon dated October 3, 1960 allegedly executed by Fernando in favor of Eugenio de Ungria, petitioner's father; and (2) the Affidavit of Relinquishment dated November 23, 1960 executed by Eugenio in favor of petitioner.

Petitioner Ceferina filed a Motion to Dismiss[4] (*Ex-Abundante Ad Cautelam*) on the following grounds: (1) the claim or demand has been extinguished by virtue of the valid sale of Lot No. 1615 to Eugenio; (2) the action is barred by extraordinary acquisitive prescription; (3) the action is barred by laches; and (4) plaintiff failed to state a cause of action, or filed the case prematurely for failure to resort to prior *barangay* conciliation proceedings.

Petitioner also filed an Addendum to the Motion to Dismiss[5] raising the following additional grounds: (1) plaintiffs have no legal capacity to sue; and (2) the court has no jurisdiction over the case for failure of plaintiffs to pay the filing fee in full. Respondents filed their Opposition thereto.

On November 19, 1999, the RTC issued an Order[6] denying the motion to dismiss, to wit:

---

[3] *Id.* at 34-46. Docketed as Civil Case No. 6636 and raffled off to Branch 35.

[4] *Id.* at 55-66.

[5] *Id.* at 87-90.

[6] *Id.* at 93.

Supreme Court E-Library

After the motion to dismiss and its addendum have been received, it is now ripe for resolution. One of the grounds alleged in the complaint is for the recovery of conjugal share on Lot No. 1615, of Pls-209 D with damages.

It is alleged that the late Fernando Castor and Rosario Dideles *Vda. de* Castor were married on September 15, 1952, and the application to the land was dated January 17, 1952 and the patent was issued by the President on November 19, 1954.

The said land was sold to the defendant on October 3, 1960 (Annex C) and an Affidavit of Relinquishment dated November 23, 1960 which was made a part thereof as Annex "D". Considering the marriage of September 15, 1992, the said land became conjugal as of the date of the marriage and, therefore, ½ thereof belongs to the wife, Rosario Dideles *Vda. de* Castor.

Thus, considering the above, the motion to dismiss is DENIED.[7]

Petitioner Ceferina filed a Motion for Reconsideration,[8] which the RTC denied in an Order[9] dated February 4, 2000.

Petitioner filed an Omnibus Motion[10] asking the RTC to resolve the issues of (1) whether or not the complaint should be dismissed or expunged from the records pursuant to Supreme Court (SC) Circular No. 7; (2) reconsidering the findings contained in the Order dated February 4, 2000; and (3) holding in abeyance the submission of the answer to the complaint.

Pending resolution of the motion, respondents filed a Motion to Allow[11] them to continue prosecuting this case as indigent litigants.

On March 8, 2000, the RTC resolved the Omnibus Motion in an Order[12] that read in this wise:

---

[7] *Id.*

[8] *Id.* at 94-104.

[9] *Id.* at 105-106

[10] *Id.* at 107-115.

[11] *Id.* at 117-121.

[12] *Id.* at 122.

Supreme Court E-Library

On the omnibus motion regarding filing fees, the plaintiffs asserted in its motion that they are charging defendant actual and compensatory damages such as are proved during the hearing of this case. So also are attorney's fees and moral damages, all to be proved during the hearing of this case.

Since there was no hearing yet, they are not in a possession (sic) to determine how much is to be charged.

At any rate, if after hearing the Clerk of Court determine that the filing fees is still insufficient, considering the total amount of the claim, the Clerk of Court should determine and, thereafter, if any amount is found due, he must require the private respondent to pay the same x x x.

As to the second issue, the same has already been decided in its order dated February 4, 2000.

WHEREFORE, premises considered, the omnibus motion is DENIED.

The defendant shall file their answer within fifteen (15) days from receipt of this order.[13]

From this Order, petitioner filed a motion for reconsideration and clarification on whether plaintiffs should be allowed to continue prosecuting the case as indigent litigants.

On March 30, 2000, the RTC issued a Clarificatory Order[14] reading as follows:

As has been said, the plaintiff asserted in its motion that they are charging defendants actual and compensatory damages as has been proved during the hearing of this case. So also are attorney's fees and moral damages all to be proved during the hearing of this case.

Since there was no hearing yet, they are not in a possession (sic) to determine how much is to be charged.

At any rate, after hearing, the Clerk of Court determines that the filing fee is still insufficient, the same shall be considered as lien on the judgment that may be entered.

---

[13] *Id.*

[14] *Id.* at 123.

Supreme Court E-Library

As to the motion seeking from the Honorable Court allowance to allow plaintiff to continue prosecuting this case as indigent litigants, suffice it to say that the same is already provided for in this order.

WHEREFORE, the defendants shall file their answer within fifteen (15) days from receipt of this Order.[15]

In an Order dated May 31, 2000, the RTC again denied petitioner's motion for reconsideration.

Petitioner filed with the CA a petition for *certiorari* and prohibition with prayer for the issuance of a temporary restraining order and/or writ of preliminary injunction. Petitioner sought the nullification of the Order dated November 19, 1999 and the subsequent orders issued by the RTC thereto for having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction. Respondents filed their Comment thereto.

In a Decision dated May 26, 2004, the CA dismissed the petition. The CA found that SC Circular No. 7 would not apply where the amount of damages or value of the property was immaterial; that the Circular could be applied only in cases where the amount claimed or the value of the personal property was determinative of the court's jurisdiction citing the case of *Tacay v. RTC of Tagum, Davao del Norte*.[16] The CA found that respondents had paid the corresponding docket fees upon the filing of the complaint, thus, the RTC had acquired jurisdiction over the case despite the failure to state the amount of damages claimed in the body of the complaint or in the prayer thereof. The CA found that the RTC did not commit grave abuse of discretion amounting to lack of jurisdiction when it denied petitioner's motion to dismiss. It noted that the RTC's Clarificatory Order dated March 30, 2000, which stated that "if after hearing the Clerk of Court determines that the filing fee is still insufficient, the same shall be considered as lien on the judgment that may be entered" was in accordance with the rule laid down in *Sun Insurance Office, Ltd. v. Asuncion*.[17] The CA proceeded to

---

[15] *Id.*

[16] G.R. Nos. 88075-77, December 20, 1989, 180 SCRA 433.

[17] 252 Phil. 280 (1989).

Supreme Court E-Library

state that a judicious examination of the complaint pointed to a determination of the respective rights and interests of the parties over the property based on the issues presented therein which could only be determined in a full-blown trial on the merits of the case.

Petitioner filed a Motion for Reconsideration, which the CA denied in a Resolution dated September 17, 2004. The CA ruled, among others, that the defenses of acquisitive prescription and laches were likewise unavailing. It found that the subject property is covered by a Torrens title (OCT No. V-19556); thus, it is axiomatic that adverse, notorious and continuous possession under a claim of ownership for the period fixed by law is ineffective against a Torrens title; that unless there are intervening rights of third persons which may be affected or prejudiced by a decision directing the return of the lot to petitioner, the equitable defense of laches will not apply as against the registered owner.

Hence, this petition for review on *certiorari* where petitioner raises the following assignment of errors:

THE COURT OF APPEALS ERRED IN NOT FINDING THAT RESPONDENT TRIAL COURT COMMITTED GRAVE ABUSE OF DISCRETION IN DENYING PETITIONER'S MOTION TO DISMISS DESPITE RESPONDENTS' NON-PAYMENT OF THE CORRECT DOCKET FEES.

THE COURT OF APPEALS ERRED IN NOT FINDING THAT THE ACTION OF PRIVATE RESPONDENTS IS BARRED BY LACHES AND EXTRAORDINARY ACQUISITIVE PRESCRIPTION.[18]

We find the petition without merit.

Preliminarily, although not raised as an issue in this petition, we find it necessary to discuss the issue of jurisdiction over the subject matter of this case. Respondents' complaint was filed in 1999, at the time *Batas Pambansa Blg.* (BP) 129, the Judiciary Reorganization Act of 1980, was already amended by Republic Act (RA) No. 7691, *An Act Expanding the Jurisdiction of the*

[18] *Rollo,* pp. 18-19.

Supreme Court E-Library

Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, amending for the purpose BP Blg. 129.[19] Section 1 of RA 7691, amending BP Blg. 129, provides that the RTC shall exercise exclusive original jurisdiction on the following actions:

> Section 1. Section 19 of Batas Pambansa Blg. 129, otherwise known as the "Judiciary Reorganization Act of 1980," is hereby amended to read as follows:
>
> 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 (₱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 the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts; x x x

Section 3 of RA No. 7691 expanded the exclusive original jurisdiction of the first level courts, thus:

> Section 3. Section 33 of the same law (BP Blg. 129) is hereby amended to read as follows:
>
> 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:
>
> xxx xxx xxx
>
> (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

[19] Took effect April 15, 1994.

Supreme Court E-Library

> (₱20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty Thousand Pesos (₱50,000.00) 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.

Respondents filed their Complaint with the RTC; hence, we would first determine whether the RTC has jurisdiction over the subject matter of this case based on the above-quoted provisions.

The Complaint filed by respondents in the RTC was for ownership, possession and damages, and alternative causes of action either to declare two documents as patent nullities and/or for recovery of conjugal share on the subject land with damages or redemption of the subject land. In their Complaint, respondents claimed that Rosario and Fernando are the registered owners of the subject land with an assessed value of ₱12,780.00; that the couple left the cultivation and enjoyment of the usufruct of the subject land to Fernando's mother and her second family to augment their means of livelihood; that respondent Rosario and Fernando thought that when the latter's mother died in 1980, the subject land was in the enjoyment of the second family of his mother, but later learned that the subject land was leased by petitioner Ceferina; that sometime in August 1999, respondents learned of the existence of the Deed of Transfer of Rights and Interest including Improvements thereon dated October 3, 1960, where Fernando had allegedly transferred his rights and interests on the subject land in favor of Eugenio, petitioner Ceferina's father, as well as an Affidavit of Relinquishment dated November 23, 1960 executed by Eugenio in favor of petitioner Ceferina; that Fernando's signature in the Deed of Transfer was not his but a forgery; and the Affidavit of Relinquishment was also void as it was a direct result of a simulated Deed of Transfer.

Respondents prayed that they be declared as absolute and lawful owners of the subject land and to order petitioner and the other

Supreme Court E-Library

defendants to vacate the premises and restore respondents to its possession and enjoyment therefore. On their second cause of action, they prayed that the Deed of Transfer of Rights and Interest Including Improvements Thereon be declared as a forgery, purely simulated and without any consideration; hence, inexistent, void *ab initio* and/or a patent nullity, as well as the Affidavit of Relinquishment which was the direct result of the Deed of Transfer. Respondents also prayed in the alternative that if the Deed be finally upheld as valid, to order petitioner to reconvey to respondent Rosario the undivided one-half portion of the subject land as conjugal owner thereof and to account and reimburse her of its usufruct; and/or to allow them to redeem the subject land.

It would appear that the first cause of action involves the issue of recovery of possession and interest of the parties over the subject land which is a real action. Respondents alleged that the assessed value of the subject land was ₱12,780.00 based on Tax Declaration No. 15272. Thus, since it is a real action with an assessed value of less than ₱20,000.00, the case would fall under the jurisdiction of the MTC as provided under the above-quoted Section 33 (3) of BP 129, as amended.

Notably, however, respondents in the same Complaint filed alternative causes of action assailing the validity of the Deed of Transfer of Rights and Interest executed by Fernando in favor of petitioner's father. Respondents also sought for the reconveyance to respondent Rosario of the undivided one-half portion of the subject land as conjugal owner thereof in case the Deed of Transfer of Rights and Interest will be upheld as valid; and/or for redemption of the subject land. Clearly, this is a case of joinder of causes of action which comprehends more than the issue of possession of, or any interest in the real property under contention, but includes an action to annul contracts and reconveyance which are incapable of pecuniary estimation and, thus, properly within the jurisdiction of the RTC.[20]

---

[20] *Copioso v. Copioso*, 439 Phil. 936, 942 (2002).

Supreme Court E-Library

In *Singson v. Isabela Sawmill,*[21] we held that:

In determining whether an action is one the subject matter of which is not capable of pecuniary estimation this Court has adopted the criterion of first ascertaining the nature of the principal action or remedy sought. If it is primarily for the recovery of a sum of money, the claim is considered capable of pecuniary estimation, and whether jurisdiction is in the municipal courts or in the courts of first instance would depend on the amount of the claim. However, where the basic issue is something other than the right to recover a sum of money, where the money claim is purely incidental to, or a consequence of, the principal relief sought, this Court has considered such actions as cases where the subject of the litigation may not be estimated in terms of money, and are cognizable exclusively by courts of first instance (now Regional Trial Courts).[22]

Thus, respondents correctly filed their Complaint with the RTC.

It is a settled rule in this jurisdiction that when an action is filed in court, the complaint must be accompanied by the payment of the requisite docket and filing fees.[23] It is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject matter or nature of the action.[24]

Section 7(b)(1) of Rule 141 of the Rules of Court provides:

SEC. 7. *Clerks of Regional Trial Courts*. - (a) For filing an action or a permissive counter-claim or money claim against an estate not based on judgment, or for filing with leave of court a third-party, fourth-party, *etc*. complaint, or a complaint-in-intervention, and for

---

[21] 177 Phil. 575 (1979).

[22] *Id.* at 588-589.

[23] *Tacay v. RTC of Tagum, Davao del Norte*, *supra* note 16; *Sun Insurance Office, Ltd. v. Asuncion*, *supra* note 17, at 291. See also *Manchester Development Corporation v. Court of Appeals*, G.R. Nos. 75919, May 7, 1987, 149 SCRA 562, 568-569.

[24] *Pantranco North Express, Inc. vs. Court of Appeals*, G.R. No. 105180, July 5, 1993, 224 SCRA 477, 478.

Supreme Court E-Library

all clerical services in the same, if the total-sum claimed, exclusive of interest, or the stated value of the property in litigation, is:

xxx xxx xxx

(b) For filing:

1. Actions where the value of the subject matter

cannot be estimated ..... ₱400.00

2. x x x

In a real action, the assessed value of the property, or if there is none, the estimated value thereof shall be alleged by the claimant and shall be the basis in computing the fees.[25]

Since we find that the case involved the annulment of contract which is not susceptible of pecuniary estimation, thus, falling within the jurisdiction of the RTC, the docket fees should not be based on the assessed value of the subject land as claimed by petitioner in their memorandum, but should be based on Section 7(b)(1) of Rule 141. A perusal of the entries in the Legal Fees Form attached to the records would reflect that the amount of ₱400.00 was paid to the Clerk of Court, together with the other fees, as assessed by the Clerk of Court. Thus, upon respondents' proof of payment of the assessed fees, the RTC has properly acquired jurisdiction over the complaint. Jurisdiction once acquired is never lost, it continues until the case is terminated.[26]

Notably, petitioner's claim that the RTC did not acquire jurisdiction in this case is premised on her contention that respondents violated SC Circular No. 7 issued on March 24, 1998 requiring that all complaints must specify the amount of damages sought not only in the body of the pleadings but also in the prayer to be accepted and admitted for filing. Petitioner argues that respondents alleged in paragraph 13 of their Complaint that:

---

[25] Underscoring supplied.

[26] *Intercontinental Broadcasting Corporation v. Alonzo-Legasto,* G.R. No. 169108, April 18, 2006, 487 SCRA 339, 350.

Supreme Court E-Library

(T)he reasonable rental for the use of the [subject] land is ₱2,000.00 per hectare, every crop time, once every four months, or ₱6,000.00 a year per hectare; that defendants in proportion and length of time of their respective occupancy is and/or are jointly and severally liable to plaintiffs of the produce thereby in the following proportions, *viz*: (a) for defendant Ceferina de Ungria for a period of time claimed by her as such; (b) for defendants Dolores Cagautan, a certain *alias* "Dory," and PO1 Jonas Montales, of an undetermined area, the latter having entered the area sometime in 1998 and defendant *alias* "Dory," only just few months ago; that defendant Ignacio Olarte and Zacasio Puutan of occupying about one-half hectare each.[27]

and in their prayer asked:

x x x Ordering the defendants, jointly and severally, in proportion to the length and area of their respective occupancy, to pay reasonable rentals to the plaintiffs in the proportion and amount assessed in paragraph 13 of the First Cause of Action.

xxx xxx xxx

(a) Ordering the defendants, jointly and severally, to pay plaintiffs actual and compensatory damages such as are proved during the hearing of this case;

(b) Ordering the defendants, jointly and severally, to pay plaintiffs attorneys' fees and moral damages, all to be proved during the hearing of this case.[28]

Thus, the RTC should have dismissed the case, since respondents did not specify the amount of damages in their prayer.

We are not persuaded.

SC Circular No. 7 was brought about by our ruling in *Manchester Development Corporation v. Court of Appeals*,[29] where we held that a pleading which does not specify in the prayer the amount of damages being asked for shall not be accepted or admitted, or shall otherwise be expunged from the

[27] *Rollo*, p. 39.

[28] *Id.* at 43-44.

[29] *Supra* note 23.

Supreme Court E-Library

record; and that the Court acquires jurisdiction over any case only upon the payment of the prescribed docket fee.

However, in *Sun Insurance Office, Ltd. v. Asuncion*,[30] we laid down the following guidelines in the payment of docket fees, to wit:

> 1. It is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject matter or nature of the action. Where the filing of the initiatory pleading is not accompanied by payment of the docket fee, the court may allow payment of the fee within a reasonable time but in no case beyond the applicable prescriptive or reglementary period.
>
> 2. The same rule applies to permissive counterclaims, third-party claims and similar pleadings, which shall not be considered filed until and unless the filing fee prescribed therefor is paid. The court may also allow payment of said fee within a reasonable time but also in no case beyond its applicable prescriptive or reglementary period.
>
> 3. Where the trial court acquires jurisdiction over a claim by the filing of the appropriate pleading and payment of the prescribed filing fee but, subsequently, the judgment awards a claim not specified in the pleading, or if specified the same has been left for determination by the court, the additional filing fee therefor shall constitute a lien on the judgment. It shall be the responsibility of the Clerk of Court or his duly-authorized deputy to enforce said lien and assess and collect the additional fee.

Subsequently, in *Heirs of Bertuldo Hinog v. Melicor*,[31] we said:

> Furthermore, the fact that private respondents prayed for payment of damages "in amounts justified by the evidence" does not call for the dismissal of the complaint for violation of SC Circular No. 7, dated March 24, 1988 which required that all complaints must specify the amount of damages sought not only in the body of the pleadings but also in the prayer in order to be accepted and admitted for filing.

---

[30] *Supra* note 17, at 291-292.

[31] 495 Phil. 422 (2005).

Supreme Court E-Library

Sun Insurance effectively modified SC Circular No. 7 by providing that filing fees for damages and awards that cannot be estimated constitute liens on the awards finally granted by the trial court.

x x x judgment awards which were left for determination by the court or as may be proven during trial would still be subject to additional filing fees which shall constitute a lien on the judgment. It would then be the responsibility of the Clerk of Court of the trial court or his duly-authorized deputy to enforce said lien and assess and collect the additional fees.[32]

A reading of the allegations in the complaint would show that the amount of the rental due can only be determined after a final judgment, since there is a need to show supporting evidence when the petitioner and the other defendants started to possess the subject land. Thus, we find no reversible error committed by the CA when it ruled that there was no grave abuse of discretion committed by the RTC in issuing its Order dated March 30, 2000, where the RTC stated that "since there was no hearing yet, respondents are not in a position to determine how much is to be charged and that after hearing, the Clerk of Court determines that the filing fee is still insufficient, the same shall be considered as lien on the judgment that may be entered."

Petitioner claims that the action is barred by extraordinary acquisitive prescription and laches. Petitioner contends that she took possession of the land in the concept of an owner, open, exclusive, notorious and continuous since 1952 through her predecessor-in-interest, Eugenio, and by herself up to the present; that the late Fernando and private respondents had never taken possession of the land at any single moment; and that, granting without admitting that the transfer of rights between Fernando and Eugenio was null and void for any reason whatsoever, petitioner's possession of the land had already ripened into ownership after the lapse of 30 years from August 1952 by virtue of the extraordinary acquisitive prescription.

We are not persuaded.

---

[32] *Id.* at 437.

Supreme Court E-Library

It is a well-entrenched rule in this jurisdiction that no title to registered land in derogation of the rights of the registered owner shall be acquired by prescription or adverse possession.[33] Prescription is unavailing not only against the registered owner but also against his hereditary successors.[34] In this case, the parcel of land subject of this case is a titled property, *i.e.*, titled in the name of the late Fernando Castor, married to Rosario Dideles.

Petitioner claims that respondent had impliedly admitted the fact of sale by Fernando to Eugenio in August 1952, but only according to respondents, the sale was null and void because it violated the provisions of the Public Land Act. Petitioner argues that the application of Fernando, dated January 17, 1952, was not the homestead application referred to in Sections 118 and 124 of the Public Land Act; and that Fernando's application was only as settler, or for the allocation of the subject land to him vice the original settler Cadiente.

Such argument does not persuade.

The trial in this case has not yet started as in fact no answer has yet been filed. We find that these issues are factual which must be resolved at the trial of this case on the merits wherein both parties will be given ample opportunity to prove their respective claims and defenses.

Anent petitioner's defense of laches, the same is evidentiary in nature and cannot be established by mere allegations in the pleadings. Without solid evidentiary basis, laches cannot be a

---

[33] *D.B.T.-Mar Bay Construction, Inc. v. Panes*, G.R. No. 167232, July 31, 2009, 594 SCRA 578; *Abadiano v. Martir*, G.R. No. 156310, July 31, 2008, 560 SCRA 676, 693; *Ragudo v. Fabella Estate Tenants Association, Inc.*, 503 Phil. 751, 764 (2005); *Alcantara-Daus v. Sps. De Leon*, 452 Phil. 92, 102 (2003); *Velez, Sr. v. Rev. Demetrio*, 436 Phil. 1, 9 (2002); *Villegas v. Court of Appeals*, 403 Phil. 791, 801 (2001); *Bishop v. Court of Appeals*, G.R. No. 86787, May 8, 1992, 208 SCRA 636, 641; and *Barcelona, et al. v. Barcelona and Court of Appeals*, 100 Phil. 251, 256-257 (1956).

[34] *Id.*

Supreme Court E-Library

valid ground to dismiss respondents' complaint.[35] Notably, the allegations of respondents in their petition filed before the RTC which alleged among others:

7. That sometime between the years 1965 to 1970, defendant Ceferina de Ungria, accompanied by Miss Angela Jagna-an, appeared in the residence of plaintiff Rosario Dideles *Vda. de* Castor in Bo.1, Banga, South Cotabato, and requested her to sign a folded document with her name only appearing thereon, telling her that it has something to do with the land above-described, of which she refused telling her that she better return it to the person who requested her to do so (referring to her mother-in-law), more so that her husband was out at that time;

8. That when the matter was brought home to Fernando Castor, the latter just commented that [his] mother desires the land above-described to be sold to defendant Ceferina de Ungria which however he was opposed to do so even as they occasionally come into heated arguments everytime this insistence on the same subject propped up;

9. That even after the death of the mother of the late Fernando Castor in Bo. Bula, City of General Santos, sometime in 1980, the latter and his surviving wife thought all the while that the land above-described was in the enjoyment of his late mother's family with his 2nd husband; that it was only after sometime when plaintiff Rosario Dideles *Vda. de* Castor heard that the land above-described had even been leased by defendant Ceferina de Ungria with the Stanfilco and Checkered farm;

10. That sometime in 1997, defendant Ceferina de Ungria sent overtures to plaintiffs through Ester Orejana, who is the half sister-in-law of plaintiff Rosario Dideles *Vda. de* Castor that she desires to settle with them relating to the land above-described; that the overtures developed into defendant Ceferina de Ungria meeting for the purpose plaintiff Ferolyn Castor Facurib where the negotiation continued with Lolita Javier as attorney-in-fact after defendant Ceferina de Ungria left to reside in Manila and which resulted later to the attorney-in-fact offering the plaintiffs ₱100,000.00 to quitclaim on their rights over the said land, which offer, however, was refused

[35] *Macababbad, Jr. v. Masirag*, G.R. No. 161237, January 14, 2009, 576 SCRA 70, 87.

Supreme Court E-Library

by plaintiffs as so [insignificant] as compared to the actual value of the same land; that in that negotiation, defendant Ceferina de Ungria was challenged to show any pertinent document to support her claim on the land in question and where she meekly answered by saying at the time that she does not have any of such document;

xxx xxx xxx[36]

would not conclusively establish *laches*. Thus, it is necessary for petitioners to proceed to trial and present controverting evidence to prove the elements of *laches*.

WHEREFORE, the petition for review is *DENIED*.

SO ORDERED.

Carpio,[*] *Velasco, Jr. (Chairperson), Abad,* and *Mendoza, JJ.,* concur.

FIRST DIVISION

[G.R. No. 173259. July 25, 2011]

PHILIPPINE NATIONAL BANK, *petitioner, vs.* **F.F. CRUZ AND CO., INC.,** *respondent.*

SYLLABUS

COMMERCIAL LAW; BANKS; LIABILITY FOR LOSSES INCURRED; THE BANK'S GREATER SHARE OF THE LOSS INCURRED, SUSTAINED; RATIONALE.— The

---

[36] *Rollo,* pp. 37-38.

[*] Designated additional member per Special Order No. 1042 dated July 6, 2011.