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by the Regional Trial Court of Lingayen, Pangasinan, Branch 69, in Civil Case No. 18857 are **REVERSED** and **SET ASIDE**. Let the records of the case be **REMANDED** to that court, which is **DIRECTED** to proceed with the case with dispatch.

The Commission on Bar Discipline-Integrated Bar of the Philippines is **DIRECTED** to investigate Atty. Eugenio F. Manaois for his acts that appear to have violated the Lawyer's Oath and the Code of Professional Responsibility and, thereafter, to **SUBMIT** its report and recommendation to this Court.

SO ORDERED.

Leonardo-de Castro, Bersamin, Perlas-Bernabe, and *Caguioa, JJ.,* concur.

FIRST DIVISION

[G.R. No. 187696. June 15, 2016]

FILOMENA CABLING, *petitioner, vs.* **RODRIGO DANGCALAN,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; *BATAS PAMBANSA BILANG 129*, AS AMENDED; JURISDICTION IN CIVIL CASES; *ACCION PUBLICIANA* AND *REIVINDICATORIA*; TO DETERMINE WHICH COURT HAS JURISDICTION OVER THE ACTION, THE COMPLAINT MUST ALLEGE THE ASSESSED VALUE OF THE REAL PROPERTY SUBJECT OF THE COMPLAINT, AND IF THE ASSESSED VALUE IS NOT ALLEGED, THE ACTION SHOULD BE DISMISSED FOR LACK OF JURISDICTION.— It is no longer good law that all cases for recovery of possession or *accion publiciana* lie with the RTC, regardless of the value

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of the property. As early as 2001, this Court had already declared that all cases involving title to or possession of real property with an assessed value of less than ₱20,000, if outside Metro Manila, fall under the original jurisdiction of the municipal trial court. This pronouncement was based on Republic Act No. 7691, which was approved by Congress on 25 March 1994. x x x [T]he actions envisaged in x x x [Sections 19 (2) and 33 (3) of Batas Pambansa Bilang (B.P. Blg.) 129, as amended by Republic Act No. 7691] are *accion publiciana* and *reivindicatoria.* To determine which court has jurisdiction over the action, the complaint must allege the assessed value of the real property subject of the complaint. The Court explained further in *Penta Pacific Realty Corporation v. Ley Construction and Development Corporation* that its jurisdiction would now be determined by the assessed value of the disputed land, or of the adjacent lots if it is not declared for taxation purposes. If the assessed value is not alleged in the complaint, the action should be dismissed for lack of jurisdiction. The reason behind this rule is that the trial court is not afforded the means of determining from the allegations of the basic pleading whether jurisdiction over the subject matter of the action pertains to it or to another court. After all, courts cannot take judicial notice of the assessed or market value of lands.

2. ID.; CIVIL PROCEDURE; JURISDICTION; JURISDICTION OVER THE SUBJECT MATTER OF A CASE IS CONFERRED BY LAW AND DETERMINED BY THE ALLEGATIONS IN THE COMPLAINT.— Jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint, as well as by the character of the reliefs sought. Once it is vested by the allegations in the complaint, jurisdiction remains vested in the trial court irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. As the CA has correctly held, the allegations in the Complaint filed by petitioner sufficiently made out a case for recovery of possession or *accion publiciana.* The same cannot be said, however, of the ultimate outcome of her appeal from the RTC Decision. The MCTC correctly exercised its exclusive and original jurisdiction in finding for petitioner as the plaintiff. On the other hand, the appeal of respondent, as the defendant, properly fell under the appellate jurisdiction of the RTC, under Section

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22 of *B.P. Blg.* 129 as amended. Hence, neither decision can be struck down for being a total nullity.

3. ID.; ID.; APPEALS; QUESTION OF LAW AND QUESTION OF FACT, HOW DETERMINED; THE SUPREME COURT RESOLVES ONLY QUESTIONS OF LAW; EXCEPTIONS. — The test of whether a question is one of law or of fact is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence. If so, it is a question of law; otherwise it is a question of fact. Good faith is a question of fact that must be proved. Similarly, the question of prescription of an action involves the ascertainment of factual matters, such as the date when the period to bring the action commenced to run. We resolve only questions of law; We do not try facts or examine testimonial or documentary evidence on record. We may have at times opted for the relaxation of the application of procedural rules, but We have resorted to this option only under exceptional circumstances, such as when: (a) the findings are grounded entirely on speculation, surmises, or conjectures; (b) the inference made is manifestly mistaken, absurd, or impossible; (c) there is grave abuse of discretion; (d) the judgment is based on a misapprehension of facts; (e) the findings of fact are conflicting; (f) in making its findings, the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (g) the CA's findings are contrary to those of the trial court; (h) the findings are conclusions without a citation of the specific evidence on which they are based; (i) the facts set forth in the petition, as well as in the petitioner's main and reply briefs, are not disputed by the respondent; (j) the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or (k) the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion. None of the above circumstances, however, are extant in this case.

APPEARANCES OF COUNSEL

Public Attorney's Office for petitioner.
Manasseh S. Bastes for respondent.

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D E C I S I O N

SERENO, *C.J.*:

Before this Court is a Petition for Review on Certiorari assailing the Court of Appeals (CA) Decision[1] declaring void for lack of jurisdiction the Decision[2] issued by the 2nd Municipal Circuit Trial Court (MCTC) of Malitbog-Tomas Oppus, Southern Leyte, as well as the Decision[3] rendered by Branch 25, Regional Trial Court (RTC) of Maasin City, Southern Leyte.

ANTECEDENT FACTS

This case stemmed from the Complaint for recovery of possession and damages filed by Filomena Cabling (petitioner) against Rodrigo Dangcalan (respondent) over respondent's alleged encroachment on petitioner's property.

In her Complaint,[4] petitioner alleged that she owned a 125-square-meter parcel of land located at San Vicente, Malitbog, Southern Leyte. It was denominated as Lot No. 5056 and had an assessed value of ₱2,100. Adjoining her property was a parcel of land that respondent had bought from her brother, Gerardo Montajes. Despite knowing the boundaries of their respective properties, however, respondent constructed a perimeter fence that encroached on petitioner's land. After several unheeded demands for respondent to remove the encroachment and a failed conference before the *Lupong Tagapamayapa*, petitioner filed the Complaint before the MCTC in May 2001.[5]

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[1] *Rollo*, pp. 19-30; dated 24 January 2008, penned by Associate Justice Francisco P. Acosta with Associate Justices Pampio A. Abarintos and Amy C. Lazaro-Javier concurring.

[2] *Id.* at 79-85; dated 2 June 2004, penned by Judge Sulpicio D. Cunanan.

[3] *Id.* at 109-120; dated 17 January 2005, penned by Judge Romeo M. Gomez.

[4] *Id.* at 52-60.

[5] *Id.*

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Respondent denied any encroachment on petitioner's property and raised prescription as an affirmative defense.[6] He claimed that he had constructed the perimeter fence together with his house way back in 1987, and that petitioner knew about it. She had actually observed some phases of the construction to ensure that it would not exceed their property boundaries. Yet, petitioner filed her Complaint only in 2001, which was beyond the 10-year period for acquisitive prescription under Article 1134 of the New Civil Code.[7]

RULINGS OF THE MCTC AND THE RTC

After trial, the MCTC rendered judgment in favor of petitioner. Relying on the sketch plan and the testimony of the court-appointed commissioner, it ruled that respondent's perimeter fence had indeed encroached on some 13 square meters of petitioner's property. The court further ruled that respondent was a builder in bad faith, because he did not verify the actual boundaries of the lot that he had purchased from petitioner's brother. Respondent had the lot titled under his name in 1988, but it was surveyed only in August 2001.[8]

The dispositive portion of the MCTC Decision reads:

WHEREFORE, in the light of the foregoing considerations, the Court hereby renders judgment in favor of the plaintiff, ordering the defendant of the following to wit:

1. Surrendering the defendant's possession of the portion of land in question to plaintiff, the true owner of the portion of land, and as defendant is a builder in bad faith loses what was built on said portion without right to indemnity. (Art. 448, Civil Code of the Philippines);

2. To pay the plaintiff of the monthly rental at ₱50.00 per month for the possession of said portion in question starting from the time the defendant demanded by the plaintiff to vacate up to the time the former actually vacate; and

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[6] *Id.* at 75.

[7] *Id.* at 74-76.

[8] *Supra* note 2.

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3. To pay the plaintiff for moral damages in the amount of ₱20,000, exemplary damages in the amount of ₱10,000 and actual damages in the amount of ₱2,000.00 and

4. To pay the costs of suit.[9]

Upon appeal by respondent, however, the RTC ruled differently. Unlike the MCTC, it did not give credence to the commissioner's sketch plan. The RTC noted that the sketch plan had no accompanying Commissioner's Report, and that the basis of the survey was not clear. It also ruled that the MCTC should have first ruled on the issue of prescription because respondent had raised it in a timely manner, albeit via an Amended Answer.[10]

The dispositive portion of the RTC Decision reads:

WHEREFORE, judgment is hereby rendered reversing the decision of the lower court declaring:

1. That the action has already prescribed and/or that plaintiff was already in laches when this action was filed in 1990, and defendant has already acquired the portion in litigation by prescription;

2. That when defendant built the concrete perimeter fence on the lot in litigation in August 1987, he was a builder in good faith;

3. No pronouncement as to damages and costs.[11]

CA RULING

Petitioner then filed a Petition for Review under Rule 42 before the CA,[12] raising the following issues:

I

WHETHER THE TRIAL COURT ERRED IN DISMISSING THE COMPLAINT OF THE PETITIONER ON THE GROUND OF ACQUISITIVE PRESCRIPTION AND EXTINCTIVE PRESCRIPTION.

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[9] *Id.* at 84-85.

[10] *Supra* note 3.

[11] *Id.* at 119-120.

[12] *Id.* at 37-56.

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II

WHETHER THE TRIAL COURT ERRED IN DECLARING THAT THE COMPLAINT OF THE PETITIONER IS BARRED BY LACHES.

III

WHETHER THE TRIAL COURT ERRED IN DECLARING THAT THE RESPONDENT IS A BUILDER IN GOOD FAITH.[13]

On 24 January 2008, the CA denied the Petition and annulled both the RTC and MCTC Decisions for lack of jurisdiction.[14] Instead of ruling on the issues presented by petitioner, the appellate court held that the threshold question was whether the MCTC had jurisdiction over petitioner's complaint. After examining the averments therein, the CA ruled that the MCTC had no jurisdiction because the Complaint was clearly an *accion publiciana*. As such, it was a plenary action for the recovery of the real right of possession, which properly fell under the RTC's jurisdiction. Accordingly, all proceedings in petitioner's Complaint, including her appeal before the RTC, were invalid and the decisions rendered thereon could be struck down at any time.[15]

The dispositive portion of the CA Decision reads:

WHEREFORE, the petition is DENIED. The Decision of the 2nd Municipal Circuit Trial Court (MCTC) of Malitbog-Tomas Oppus, Southern Leyte dated June 2, 2004 and the January 17, 2005 Decision of the Regional Trial Court, 8th Judicial Region, Branch 25, Maasin City reversing the Decision of the MCTC are BOTH declared NULL and VOID for lack of jurisdiction, and the instant Complaint for recovery of possession with damages is DISMISSED without prejudice.[16]

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[13] *Id.* at 42.

[14] *Supra* note 1.

[15] *Id.* at 29.

[16] *Id.* at 30.

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On 1 April 2009, the CA denied petitioner's Motion for Reconsideration.[17] Hence, this Petition.

ISSUE

The only legal issue We shall resolve is whether the CA erred in nullifying the RTC and the MCTC Decisions on the ground that the MCTC had no jurisdiction over petitioner's Complaint for *accion publiciana*.

COURT RULING

We GRANT the petition.

It is no longer good law that all cases for recovery of possession or *accion publiciana* lie with the RTC, regardless of the value of the property.[18]

As early as 2001, this Court had already declared that all cases involving title to or possession of real property with an assessed value of less than ₱20,000, if outside Metro Manila, fall under the original jurisdiction of the municipal trial court.[19] This pronouncement was based on Republic Act No. 7691,[20] which was approved by Congress on 25 March 1994.

Jurisdiction over civil actions involving title to or possession of real property or interest therein, as set forth in Sections 19 (2) and 33 (3) of *Batas Pambansa Bilang* (*B.P. Blg.*) 129,[21] as amended by Republic Act No. 7691, is as follows:

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[17] *Id.* at 167-170.

[18] *Penta Pacific Realty Corporation v. Ley Construction and Development Corporation*, G.R. No. 161589, 24 November 2014, 741 SCRA 426, 438; *Spouses Cruz v. Spouses Cruz*, 616 Phil. 519, 526 (2009), citing *Quinagoran v. Court of Appeals*, 557 Phil. 650, 657 (2007).

[19] *Aliabo v. Carampatan*, 407 Phil. 31, 36 (2001).

[20] An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, Amending for the Purpose *Batas Pambansa Blg*. 129, Otherwise Known as the "Judiciary Reorganization Act of 1980."

[21] Judiciary Reorganization Act of 1980.

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

x x x x x x x x x

(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 [t]wenty 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;

SECTION 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 x 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 [t]wenty thousand pesos (₱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 value of such property shall be determined by the assessed value of the adjacent lots.

In *Laresma v. Abellana*,[22] We clarified that the actions envisaged in the aforequoted provisions are *accion publiciana* and *reivindicatoria*. To determine which court has jurisdiction over the action, the complaint must allege the assessed value of the real property subject of the complaint. The Court explained further in *Penta Pacific Realty Corporation v. Ley Construction and Development Corporation*[23] that its jurisdiction would now

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[22] 424 Phil. 766, 782 (2004).

[23] *Supra* note 18, at 439.

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be determined by the assessed value of the disputed land, or of the adjacent lots if it is not declared for taxation purposes. If the assessed value is not alleged in the complaint, the action should be dismissed for lack of jurisdiction. The reason behind this rule is that the trial court is not afforded the means of determining from the allegations of the basic pleading whether jurisdiction over the subject matter of the action pertains to it or to another court. After all, courts cannot take judicial notice of the assessed or market value of lands.[24]

Clearly, the CA erred in nullifying both the RTC and the MCTC decisions.

Jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint, as well as by the character of the reliefs sought. Once it is vested by the allegations in the complaint, jurisdiction remains vested in the trial court irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.[25] As the CA has correctly held, the allegations in the Complaint filed by petitioner sufficiently made out a case for recovery of possession or *accion publiciana*. The same cannot be said, however, of the ultimate outcome of her appeal from the RTC Decision. The MCTC correctly exercised its exclusive and original jurisdiction in finding for petitioner as the plaintiff. On the other hand, the appeal of respondent, as the defendant, properly fell under the appellate jurisdiction of the RTC, under Section 22 of *B.P. Blg. 129* as amended. Hence, neither decision can be struck down for being a total nullity.

Petitioner now argues that the CA's dismissal of her Complaint without prejudice to the filing of another case before the RTC, would only force her to re-litigate the same issues that the MCTC has already thoroughly considered. Additionally, she contends

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[24] *Hilario v. Salvador*, 497 Phil. 327, 336 (2005), citing *Ouano v. PGTT International Investment Corporation*, 434 Phil. 28-37 (2002).

[25] *De Vera v. Spouses Santiago*, G.R. No. 179457, 22 June 2015; *Hilario v. Salvador, supra*.

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that the RTC Decision was not in accord with the applicable provisions of the New Civil Code. She claims that respondent cannot be deemed a builder in good faith, because he failed to verify the actual boundaries of his property prior to the construction of his perimeter fence. Further, neither prescription nor *laches* applies, because petitioner filed her Complaint in 2001, which was well within the 30-year prescriptive period set forth in Article 1141 of the New Civil Code for real actions over immovables.[26] For these reasons, she urges us to reinstate the MCTC Decision.[27]

Respondent, on the other hand, has not filed any comment despite Our repeated directives to his counsel on record.[28]

Suffice it to say that the errors ascribed by petitioner to the RTC Decision are factual issues that properly belong to the jurisdiction of the CA. The test of whether a question is one of law or of fact is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence. If so, it is a question of law; otherwise it is a question of fact.[29]

Good faith is a question of fact that must be proved.[30] Similarly, the question of prescription of an action involves the ascertainment of factual matters, such as the date when the period to bring the action commenced to run.[31]

We resolve only questions of law; We do not try facts or examine testimonial or documentary evidence on record.[32] We may have at times opted for the relaxation of the application of

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[26] *Supra* note 1, at 9-13.

[27] *Id.* at 14.

[28] *Id.* at 177. In a Resolution dated 5 September 2011, we deemed as waived the filing of respondent's Comment on the Petition.

[29] *Crisostomo v. Garcia, Jr.,* 516 Phil. 743, 749 (2006).

[30] *Civil Service Commission v. Maala*, 504 Phil. 646, 653 (2005); *Cabrera v. Tiano*, 118 Phil. 558, 562 (1960).

[31] *Cabrera v. Tiano*, *id.*

[32] RULES OF COURT, Rule 45, Section 1.

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procedural rules, but We have resorted to this option only under exceptional circumstances, such as when: (a) the findings are grounded entirely on speculation, surmises, or conjectures; (b) the inference made is manifestly mistaken, absurd, or impossible; (c) there is grave abuse of discretion; (d) the judgment is based on a misapprehension of facts; (e) the findings of fact are conflicting; (f) in making its findings, the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (g) the CA's findings are contrary to those of the trial court; (h) the findings are conclusions without a citation of the specific evidence on which they are based; (i) the facts set forth in the petition, as well as in the petitioner's main and reply briefs, are not disputed by the respondent; (j) the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or (k) the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[33]

None of the above circumstances, however, are extant in this case. The simple reason is that the CA opted to gloss over the factual issues raised by petitioner on the wrong premise that the decisions of the trial courts were void.

WHEREFORE, premises considered, the Petition for Review on Certiorari is **GRANTED**. The Court of Appeals Decision dated 24 January 2008 and Resolution dated 1 April 2009 in CA-G.R. SP No. 88408 are **REVERSED** and **SET ASIDE**. The case is **REMANDED** to the Court of Appeals for the prompt resolution of the case on the merits.

SO ORDERED.

Leonardo-de Castro, Bersamin, Perlas-Bernabe, and *Caguioa, JJ.,* concur.

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[33] *De Vera v. Spouses Santiago, supra* note 25.