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THIRD DIVISION

[G.R. No. 181622. November 20, 2013]

GENESIS INVESTMENT, INC., CEBU JAYA REALTY INC., and SPOUSES RHODORA and LAMBERT LIM[*], *petitioners, vs.* **HEIRS of CEFERINO EBARASABAL, NAMELY: ROGELIO EBARASABAL, SPOUSES LIGAYA E. GULIMLIM and JOSE GULIMLIM, SPOUSES VISITACION E. CONEJOS and ELIAS CONEJOS, BEN TEJERO, POCAS TEJERO, GERTRUDES TEJERO, BANING HAYO, LACIO EBARASABAL and JULIETA EBARASABAL; HEIRS OF FLORO EBARASABAL, namely: SOFIA ABELONG, PEPITO EBARASABAL AND ELPIDIO EBARASABAL; HEIRS OF LEONA EBARASABAL-APOLLO, namely: SILVESTRA A. MOJELLO and MARCELINO APOLLO; HEIRS OF PEDRO EBARASABAL, namely: BONIFACIO EBARASABAL, SERGIO EBARASABAL and JAIME EBARASABAL; HEIRS of ISIDRO EBARASABAL, NAMELY: SPOUSES CARLOSA E. NUEVO and FORTUNATO NUEVA[**]; HEIRS of BENITO EBARASABAL, namely: PAULO BAGAAN, SPOUSES CATALINA A. MARIBAO and RENE MARIBAO, VICENTE ABRINICA and PATRON EBARASABAL; HEIRS of JULIAN EBARASABAL, NAMELY: ALFREDO BAGAAN, JUAN BAGAAN, AVELINO BAGAAN, FERDINAND BAGAAN, MAURO BAGAAN, SPOUSES ROWENA B. LASACA and FRANCISCO LACASA[***], SPOUSES MARIA B. CABAG and EMILIO CABAG and ESTELITA BAGAAN, all being represented herein by VICTOR**

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[*] All "Ebarasabal" surnames were also reffered to as "Ebarsabal" in other parts of the records and CA *rollo*.

[**] Referred to as "Nuevo" in other parts of the records.

[***] Referred to as "Lasaca" in other parts of the records.

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MOJELLO, FEDERICO BAGAAN and PAULINO EBARASABAL, as their Attorneys-in-Fact, *respondents.*

SYLLABUS

REMEDIAL LAW; COURTS; JURISDICTION; WHERE THE PRINCIPAL ACTION IS FOR NULLIFICATION OF AN EXTRAJUDICIAL SETTLEMENT WITH SALE AND MEMORANDUM OF AGREEMENT, IT IS ONE INCAPABLE OF PECUNIARY ESTIMATION AND FALLS WITHIN THE JURISDICTION OF THE REGIONAL TRIAL COURT.— [I]t is clear from the records that respondents' complaint was for "*Declaration of Nullity of Documents, Recovery of Shares, Partition, Damages and Attorney's Fees*." In filing their Complaint with the RTC, respondents sought to recover ownership and possession of their shares in the disputed parcel of land by questioning the due execution and validity of the Deed of Extrajudicial Settlement with Sale as well as the Memorandum of Agreement entered into by and between some of their co-heirs and herein petitioners. Aside from praying that the RTC render judgment declaring as null and void the said Deed of Extrajudicial Settlement with Sale and Memorandum of Agreement, respondents likewise sought the following: (1) nullification of the Tax Declarations subsequently issued in the name of petitioner Cebu Jaya Realty, Inc.; (2) partition of the property in litigation; (3) reconveyance of their respective shares; and (3) payment of moral and exemplary damages, as well as attorney's fees, plus appearance fees. Clearly, this is a case of joinder of causes of action which comprehends more than the issue of partition of or recovery of shares or interest over the real property in question but includes an action for declaration of nullity of contracts and documents which is incapable of pecuniary estimation. x x x Contrary to petitioners' contention, the principal relief sought by petitioners is the nullification of the subject Extrajudicial Settlement with Sale entered into by and between some of their co-heirs and respondents, insofar as their individual shares in the subject property are concerned. Thus, the recovery of their undivided shares or interest over the disputed lot, which were included in the sale, simply becomes a necessary consequence if the above deed is nullified. Hence, since the principal action sought

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in respondents' Complaint is something other than the recovery of a sum of money, the action is incapable of pecuniary estimation and, thus, cognizable by the RTC. Well entrenched is the rule that jurisdiction over the subject matter of a case is conferred by law and is determined by the allegations in the complaint and the character of the relief sought, irrespective of whether the party is entitled to all or some of the claims asserted.

APPEARANCES OF COUNSEL

Pepito Canete & Dela Cerna Law Firm for petitioners.
Celedonio I.E. Manubag for respondents.

D E C I S I O N

PERALTA, *J.*:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[1] and Resolution,[2] dated July 11, 2007 and January 10, 2008, respectively, of the Court of Appeals (CA) in CA-G.R. CEB-SP No. 01017.

The antecedents of the case are as follows:

On November 12, 2003, herein respondents filed against herein petitioners a Complaint[3] for "Declaration of Nullity of Documents, Recovery of Shares, Partition, Damages and Attorney's Fees." The Complaint was filed with the Regional Trial Court (RTC) of Barili, Cebu.

On August 5, 2004, herein petitioners filed a Motion to Dismiss[4] contending, among others, that the RTC has no jurisdiction to try the case on the ground that, as the case involves

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[1] Penned by Associate Justice Priscilla Baltazar-Padilla, with Associate Justices Pampio A. Abarintos and Stephen C. Cruz, concurring; Annex "A", *rollo*, pp. 15-25.

[2] *Rollo*, pp. 26-27.

[3] See Annex "C" of petition, *id.* at 28-44.

[4] See Annex "D" of petition, *id*. at 45-51.

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title to or possession of real property or any interest therein and since the assessed value of the subject property does not exceed ₱20,000.00 (the same being only ₱11,990.00), the action falls within the jurisdiction of the Municipal Trial Court (MTC).[5]

In its Order[6] dated September 29, 2004, the RTC granted petitioners' Motion to Dismiss, holding as follows:

xxx xxx xxx

And while the prayer of the plaintiffs for the annulment of documents qualified the case as one incapable of pecuniary estimation thus, rendering it cognizable supposedly by the second level courts but considering that Republic Act No. 7691 expressly provides to cover "all civil actions" which phrase understandably is to include those incapable of pecuniary estimation, like the case at bar, this Court is of the view that said law really finds application here more so that the same case also "involves title to, or possession of, real property, or any interest therein." For being so, the assessed value of the real property involved is determinative of which court has jurisdiction over the case. And the plaintiffs admitting that the assessed value of the litigated area is less than ₱20,000.00, the defendants are correct in arguing that the case is beyond this Court's jurisdiction.[7]

Respondents filed a Motion for Partial Reconsideration,[8] arguing that their complaint consists of several causes of action, including one for annulment of documents, which is incapable

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[5] Under Section 33(3) of Batas Pambansa Blg. 129 (B.P. 129), as amended by Republic Act No. 7691 (R.A. 7691), Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise 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 (₱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.

[6] See Annex "E" of petition, *rollo*, pp. 52-53.

[7] *Id*. at 53.

[8] See Annex "F" of petition, *id*. at 54-59.

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of pecuniary estimation and, as such, falls within the jurisdiction of the RTC.[9]

On March 17, 2005, the RTC issued an Order granting respondents' Motion for Partial Reconsideration and reversing its earlier Order dated September 29, 2004. The RTC ruled, thus:

> On the issue of want of jurisdiction, this court likewise finds to be with merit the contention of the movants as indeed the main case or the primary relief prayed for by the movants is for the declaration of nullity or annulment of documents which unquestionably is incapable of pecuniary estimation and thus within the exclusive original jurisdiction of this court to try although in the process of resolving the controversy, claims of title or possession of the property in question is involved which together with all the other remaining reliefs prayed for are but purely incidental to or as a consequence of the foregoing principal relief sought.[10]

Petitioners filed a Motion for Reconsideration,[11] but the RTC denied it in its Order dated June 23, 2005.

Aggrieved, petitioners filed a petition for *certiorari* with the CA. However, the CA dismissed the petition via its assailed Decision dated July 11, 2007, holding that the subject matter of respondents' complaint is incapable of pecuniary estimation and, therefore, within the jurisdiction of the RTC, considering that the main purpose in filing the action is to declare null and void the documents assailed therein.[12]

Petitioners' Motion for Reconsideration was, subsequently, denied in the CA Resolution dated January 10, 2008.

Hence, the instant petition for review on *certiorari* raising the sole issue, to wit:

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[9] Under Section 19 (1) of B.P. 129, as amended by R.A. 7691, Regional Trial Courts shall exercise exclusive original jurisdiction in all civil actions in which the subject of the litigation is incapable of pecuniary estimation.

[10] See CA Decision, *rollo*, pp. 23-24.

[11] See Annex "H" of petition, *id.* at 63-66.

[12] See *rollo*, pp. 23-24.

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Whether or not the Honorable Court of Appeals gravely erred in concluding that the Regional Trial Court, Branch 60 of Barili, Cebu has jurisdiction over the instant case when the ALLEGATIONS IN THE COMPLAINT clearly shows that the main cause of action of the respondents is for the Recovery of their Title, Interest, and Share over a Parcel of Land, which has an assessed value of ₱11,990.00 and thus, within the jurisdiction of the Municipal Trial Court.[13]

The petition lacks merit.

For a clearer understanding of the case, this Court, like the CA, finds it proper to quote pertinent portions of respondents' Complaint, to wit:

xxx xxx xxx

1. Plaintiffs are all Filipino, of legal age, surviving descendants – either as grandchildren or great grandchildren – and heirs and successors-in-interest of deceased Roman Ebarsabal, who died on 07 September 1952 x x x

xxx xxx xxx

8. During the lifetime of Roman Ebarsabal, he acquired a parcel of land situated in Basdaku, Saavedra, Moalboal, Cebu, x x x

xxx xxx xxx

with a total assessed value of ₱2,890.00 x x x. However, for the year 2002, the property was already having (sic) a total assessed value of ₱11,990.00 x x x.

9. Upon the death of said Roman Ebarsabal, his eight (8) children named in par. 7 above, became co-owners of his above-described property by hereditary succession; taking peaceful possession and enjoyment of the same in fee simple pro indiviso, paying the real estate taxes thereon and did not partition the said property among themselves until all of them likewise died, leaving, however, their respective children and descendants and/or surviving heirs and successors-in-interest, and who are now the above-named plaintiffs herein;

10. The plaintiffs who are mostly residents in (sic) Mindanao and Manila, have just recently uncovered the fact that on 28th January

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[13] *Rollo,* p. 8.

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1997, the children and descendants of deceased Gil Ebarsabal, namely: Pelagio, Hipolito, Precela, Fructuosa, Roberta, Florentino, Erlinda, Sebastian, Cirilo, all surnamed Ebarsabal, have executed among themselves a Deed of Extrajudicial Settlement with Sale of Roman Ebarsabal's entire property described above, by virtue of which they allegedly extrajudicially settled the same and, for ₱2,600,000.00 – although only the sum of ₱950,000.00 was reflected in their Deed of Sale for reason only known to them, they sold the whole property to defendants Genesis Investment Inc. represented by co-defendant Rhodora B. Lim, the wife of Lambert Lim, without the knowledge, permission and consent of the plaintiffs who are the vendors' co-owners of the lot in question, x x x.

11. Surprisingly, however, the defendant Genesis managed to have the Tax Declaration of the property issued in the name of co-defendant Cebu Jaya Realty Incorporated, a firm which, as already intimated above, is also owned by Spouses Lambert and Rhodora B. Lim, instead of in the name of Genesis Investment, Incorporated, which is actually the vendee firm of the lot in question.

xxx xxx xxx

Hence, the reason why Cebu Jaya Realty, Incorporated is joined and impleaded herein as a co-defendant.

12. Without the participation of the plaintiffs who are co-owners of the lot in question in the proceedings, the aforementioned extrajudicial settlement with sale cannot be binding upon the plaintiff-co-owners.

13. Further, where as in this case, the other heirs who are the plaintiffs herein, did not consent to the sale of their ideal shares in the inherited property, the sale was only to be limited to the pro indiviso share of the selling heirs.

xxx xxx xxx

14. By representation, the plaintiffs, are therefore, by law, entitled to their rightful shares from the estate of the deceased Roman Ebarsabal consisting of seven (7) shares that would have been due as the shares of seven (7) other children of Roman Ebarsabal who are also now deceased, namely: Ceferino, Floro, Leona, Pedro, Isidoro, Julian and Benito, all surnamed Ebarsabal.

15. The defendants who had prior knowledge of the existence of the other heirs who are co-owners of the vendors of the property

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they purchased, had unlawfully acted in bad faith in insisting to buy the whole property in co-ownership, only from the heirs and successors-in-interest of deceased Gil Ebarsabal, who is only one (1) of the eight (8) children of deceased Roman Ebarsabal, and without notifying thereof in whatever manner the plaintiffs who are the heirs and successors-in-interest of the other co-owners of the property-in-question; thus, have compelled the plaintiffs herein to file this instant case in court to protect their interests, x x x.

xxx xxx xxx

PRAYER

WHEREFORE, in view of all the foregoing, it is most respectfully prayed of this Honorable Court that, after due notice and hearing, judgment shall be rendered in favor of the plaintiffs, as follows, to wit:

1 – Declaring as null and void and not binding upon the plaintiffs, the following documents to wit:

(a) Deed of Extrajudicial Settlement with Sale executed by and between the heirs of deceased Gil Ebarsabal headed by Pedro Ebarsabal, and Genesis Investment, Inc., represented by Rhodora Lim, dated 28th of January, 1997, marked as Annex-A;

(b) Memorandum of Agreement executed between Pedro Ebarsabal and Genesis Investment, Inc., represented by Rhodora Lim dated 27 January, which document is notarized;

(c) Tax Declaration of Real Property issued to Cebu Jaya Realty, Inc., marked as Annex-D;

2 – Ordering the defendants to make partition of the property in litigation with the plaintiffs into eight (8) equal shares; to get one (1) share thereof, which is the only extent of what they allegedly acquired by purchase as mentioned above, and to transfer, restore or reconvey and deliver to the plaintiffs, seven (7) shares thereof, as pertaining to and due for the latter as the heirs and successors-in-interest of the seven (7) brothers and sister of deceased Gil Ebarsabal already named earlier in this complaint;

xxx xxx xxx

Further reliefs and remedies just and equitable in the premises are also herein prayed for.

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xxx xxx xxx[14]

It is true that one of the causes of action of respondents pertains to the title, possession and interest of each of the contending parties over the contested property, the assessed value of which falls within the jurisdiction of the MTC. However, a complete reading of the complaint would readily show that, based on the nature of the suit, the allegations therein, and the reliefs prayed for, the action is within the jurisdiction of the RTC.

As stated above, it is clear from the records that respondents' complaint was for "*Declaration of Nullity of Documents, Recovery of Shares, Partition, Damages and Attorney's Fees*." In filing their Complaint with the RTC, respondents sought to recover ownership and possession of their shares in the disputed parcel of land by questioning the due execution and validity of the Deed of Extrajudicial Settlement with Sale as well as the Memorandum of Agreement entered into by and between some of their co-heirs and herein petitioners. Aside from praying that the RTC render judgment declaring as null and void the said Deed of Extrajudicial Settlement with Sale and Memorandum of Agreement, respondents likewise sought the following: (1) nullification of the Tax Declarations subsequently issued in the name of petitioner Cebu Jaya Realty, Inc.; (2) partition of the property in litigation; (3) reconveyance of their respective shares; and (3) payment of moral and exemplary damages, as well as attorney's fees, plus appearance fees.

Clearly, this is a case of joinder of causes of action which comprehends more than the issue of partition of or recovery of shares or interest over the real property in question but includes an action for declaration of nullity of contracts and documents which is incapable of pecuniary estimation.[15]

As cited by the CA, this Court, in the case of *Singson v. Isabela Sawmill*,[16] held that:

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[14] *Id.* at 29-42. (Citations omitted; emphasis in the original)

[15] See *Ungria v. Court of Appeals*, G.R. No. 165777, July 25, 2011, 654 SCRA 314, 324.

[16] 177 Phil. 575 (1979).

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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 by courts of first instance [now Regional Trial Courts].[17]

This rule was reiterated in *Russell v. Vestil*[18] and *Social Security System v. Atlantic Gulf and Pacific Company of Manila, Inc.*[19]

Contrary to petitioners' contention, the principal relief sought by petitioners is the nullification of the subject Extrajudicial Settlement with Sale entered into by and between some of their co-heirs and respondents, insofar as their individual shares in the subject property are concerned. Thus, the recovery of their undivided shares or interest over the disputed lot, which were included in the sale, simply becomes a necessary consequence if the above deed is nullified. Hence, since the principal action sought in respondents' Complaint is something other than the recovery of a sum of money, the action is incapable of pecuniary estimation and, thus, cognizable by the RTC.[20] Well entrenched is the rule that jurisdiction over the subject matter of a case is conferred by law and is determined by the allegations in the complaint and the character of the relief sought, irrespective of whether the party is entitled to all or some of the claims asserted.[21]

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

[18] 364 Phil. 392 (1999).

[19] G.R. No. 175952, April 30, 2008, 553 SCRA 677.

[20] *Heirs of Juanita Padilla v. Magdua*, G.R. No. 176858, September 15, 2010, 630 SCRA 573, 587.

[21] *Id.*

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Moreover, it is provided under Section 5 (c), Rule 2 of the Rules of Court that where the causes of action are between the same parties but pertain to different venues or jurisdictions, the joinder may be allowed in the RTC provided one of the causes of action falls within the jurisdiction of said court and the venue lies therein. Thus, as shown above, respondents' complaint clearly falls within the jurisdiction of the RTC.

WHEREFORE, the petition is **DENIED**. The Decision and Resolution dated July 11, 2007 and January 10, 2008, respectively, of the Court of Appeals in CA-G.R. CEB-SP No. 01017 are **AFFIRMED**.

SO ORDERED.

Velasco, Jr. (Chairperson), Abad, Mendoza, and *Leonen, JJ.,* concur.

THIRD DIVISION

[G.R. No. 182913. November 20, 2013]

REPUBLIC OF THE PHILIPPINES, *petitioner, vs.* **ANTONIO, FELIZA, NEMESIO, ALBERTO, FELICIDAD, RICARDO, MILAGROS and CIPRIANO, ALL SURNAMED BACAS; EMILIANA CHABON, SATURNINO ABDON, ESTELA CHABON, LACSASA DEMON, PEDRITA CHABON, FORTUNATA EMBALSADO, MINDA J. CASTILLO, PABLO CASTILLO, ARTURO P. LEGASPI, and JESSIE I. LEGASPI**, *respondents.*