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FIRST DIVISION

[G.R. No. 202448. December 13, 2017]

JOSEPH O. REGALADO, *petitioner, vs.* **EMMA DE LA RAMA *VDA.* DE LA PENA,[1] JESUSA[2] DE LA PENA, JOHNNY DE LA PENA, JOHANNA DE LA PENA, JOSE DE LA PENA, JESSICA DE LA PENA, and JAIME ANTONIO DE LA PENA,** *respondents.*

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; ACTIONS; ACTION FOR RECOVERY OF POSSESSION OF REAL PROPERTY; KINDS.—** In our jurisdiction, there are three kinds of action for recovery of possession of real property: 1) ejectment (either for unlawful detainer or forcible entry) in case the dispossession has lasted for not more than a year; 2) *accion publiciana* or a plenary action for recovery of real right of possession when dispossession has lasted for more than one year; and, 3) *accion reivindicatoria* or an action for recovery of ownership.

2. **ID.; ID.; JURISDICTION; JURISDICTION IN CIVIL CASES; DETERMINED NOT ONLY BY THE TYPE OF ACTION FILED BUT ALSO BY THE ASSESSED VALUE OF THE PROPERTY.—** Pursuant to Republic Act No. 7691 (RA 7691), the proper Metropolitan Trial Court (MeTC), MTC, or Municipal Circuit Trial Court (MCTC) has exclusive original jurisdiction over ejectment cases. Moreover, jurisdiction of the MeTC, MTC, and MCTC shall include civil actions involving title to or possession of real property, or any interest therein where the assessed value of the property does not exceed ₱20,000.00 (or ₱50,000.00 in Metro Manila). On the other hand, the RTC has exclusive original jurisdiction over civil actions involving title to or possession of real property, or any interest therein in case the assessed value of the property exceeds ₱20,000.00 (or ₱50,000.00 in Metro Manila). Jurisdiction is thus determined

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[1] Dela Peña in some parts of the records.

[2] Suzette P. Spicer in some parts of the records.

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not only by the type of action filed but also by the assessed value of the property. It follows that in *accion publiciana* and *reinvindicatoria*, the assessed value of the real property is a jurisdictional element to determine the court that can take cognizance of the action.

3. ID.; ID.; ID.; ONLY THE FACTS ALLEGED IN THE COMPLAINT CAN BE THE BASIS FOR DETERMINING THE NATURE OF THE ACTION, AND THE COURT THAT CAN TAKE COGNIZANCE OF THE CASE.— [T]o ascertain the proper court that has jurisdiction, reference must be made to the averments in the complaint, and the law in force at the commencement of the action. This is because only the facts alleged in the complaint can be the basis for determining the nature of the action, and the court that can take cognizance of the case.

4. ID.; ID.; SPECIAL CIVIL ACTIONS; FORCIBLE ENTRY AND UNLAWFUL DETAINER; SPECIAL JURISDICTIONAL FACTS MUST BE SET FORTH IN THE COMPLAINT.— Under Section 1, Rule 70 of the Rules of Court, there are special jurisdictional facts that must be set forth in the complaint to make a case for ejectment, which, x x x may either be for forcible entry or unlawful detainer. In particular, a complaint for forcible entry must allege the plaintiff's prior physical possession of the property; the fact that plaintiff was deprived of its possession by force, intimidation, threat, strategy, or stealth; and the action must be filed within one year from the time the owner or the legal possessor learned of their dispossession. On the other hand, a complaint for unlawful detainer must state that the defendant is unlawfully withholding possession of the real property after the expiration or termination of his or her right to possess it; and the complaint is filed within a year from the time such possession became unlawful.

5. ID.; ID.; JURISDICTION; CANNOT BE PRESUMED, OR BE VESTED UPON A COURT BY THE AGREEMENT OF THE PARTIES OR BY THE COURT'S ERRONEOUS BELIEF THAT IT HAD JURISDICTION OVER A CASE, FOR IT IS CONFERRED ONLY BY LAW.— Well-settled is the rule that jurisdiction is conferred only by law. It cannot be presumed or implied, and must distinctly appear from the law. It cannot also be vested upon a court by the agreement of the parties; or by the court's erroneous belief that it had

> jurisdiction over a case. x x x [W]hen respondents filed the Complaint in 1998, RA 7691 was already in force as it was approved on March 25, 1994 and took effect on April 15, 1994. As such, it is necessary that the assessed value of the subject properties, or its adjacent lots (if the properties are not declared for taxation purposes) be alleged to ascertain which court has jurisdiction over the case. x x x [T]he Complaint failed to specify the assessed value of the subject properties. Thus, it is unclear if the RTC properly acquired jurisdiction, or the MTC has jurisdiction, over respondents' action. Also worth noting is the fact that the RTC took cognizance of the Complaint only on the presumption that the assessed value of the properties exceeds ₱20,000.00. Aside from affirming such presumption, the CA, in turn, declared that the RTC had jurisdiction because the parties stipulated on it. However, x x x jurisdiction cannot be presumed. It cannot be conferred by the agreement of the parties, or on the erroneous belief of the court that it had jurisdiction over a case. Indeed, in the absence of any allegation in the Complaint of the assessed value of the subject properties, it cannot be determined which court has exclusive original jurisdiction over respondents' Complaint. Courts cannot simply take judicial notice of the assessed value, or even market value of the land. Resultantly, for lack of jurisdiction, all proceedings before the RTC, including its decision, are void x x x.

APPEARANCES OF COUNSEL

The Law Office of Persephone Del Callar Evangelista for petitioner.

Baylin Morana & Tranquillo Law Offices for respondents.

D E C I S I O N

DEL CASTILLO, *J.*:

This Petition for Review on *Certiorari* seeks to reverse and set aside the May 28, 2012 Decision[3] of the Court of Appeals

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[3] CA *rollo*, pp. 79-96; penned by Associate Justice Ramon Paul L. Hernando and concurred in by Executive Justice Pampio A. Abarintos and Associate Justice Victoria Isabel A. Paredes.

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(CA) in CA-G.R. CV No. 02994, which affirmed the January 20, 2009 Decision[4] of the Regional Trial Court (RTC) of Bacolod City, Branch 42 in Civil Case No. 98-10187 for "Recovery of Possession and Damages with Injunction."

Factual Antecedents

Emma, Jesusa, Johnny, Johanna, Jose, Jessica, and Jaime Antonio (Jaime), all surnamed de la Pena (respondents), are the registered owners of two parcels of land with a total area of 44 hectares located in Murcia, Negros Occidental. These properties are referred to as Lot Nos. 138-D and 138-S, and are respectively covered by Transfer Certificates of Title No. T-103187 and T-103189[5] (subject properties).

Purportedly, in 1994, without the knowledge and consent of respondents, Joseph Regalado (petitioner) entered, took possession of, and planted sugar cane on the subject properties without paying rent to respondents. In the crop year 1995-1996, respondents discovered such illegal entry, which prompted them to verbally demand from petitioner to vacate the properties but to no avail.[6]

Later, the parties appeared before the *Barangay* Office of Cansilayan, Murcia, Negros Occidental but failed to arrive at any amicable settlement. On September 29, 1997, the *Lupon Tagapamayapa* of said *Barangay* issued a Certificate to File Action;[7] and, on March 9, 1998, respondents filed a Complaint[8] for recovery of possession and damages with injunction against petitioner.

In his Answer,[9] petitioner countered that in 1994, Emma, Jesusa, Johnny, Johanna, and Jessica executed their separate

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[4] Records, pp. 279-288; penned by Judge Fernando R. Elumba.

[5] *Id*. at 173-180.

[6] *Id*. at 1-2.

[7] *Id*. at 10.

[8] *Id*. at 1-5.

[9] *Id*. at 21-30.

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Waivers of Undivided Share of Lands renouncing their rights and interests over the subject properties in favor of Jaime. In turn, Jaime subsequently waived his rights and interests on the same properties to petitioner.[10] Petitioner claimed that respondents did not attempt to enter the properties as they already intentionally relinquished their interests thereon.

Thereafter, petitioner filed a Motion to Dismiss[11] on the ground, among others, that the RTC has no jurisdiction over the subject matter of the case. Petitioner posited that based on the allegations in the Complaint, the action involved recovery of physical possession of the properties in dispute; said Complaint was also filed within one year from the date the parties had a confrontation before the *Barangay*; and thus, the case was one for Ejectment and must be filed with the proper Municipal Trial Court (MTC).

In their Reply,[12] respondents alleged that the waiver of rights in favor of Jaime was conditioned on the payment of their ₱6.7 million loan with the Republic Planters Bank (RPB) and Philippine National Bank (PNB); and, in case the subject properties would be sold, its proceeds shall be equally distributed to respondents. They further stated that such waiver bestowed rights over the properties solely upon Jaime. They added that the subsequent waiver executed by Jaime to petitioner should have been with conformity of the banks where the properties were mortgaged; and conditioned on the payment of the ₱6.7 million loan. They pointed out that neither Jaime nor petitioner paid any amount to RPB or PNB; and as a result, the waivers of rights in favor of Jaime, and later to petitioner, were void.

Subsequently, in their Opposition to Motion to Dismiss,[13] respondents contended that the RTC had jurisdiction over the case because their demand for petitioner to vacate the properties

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[10] *Id*. at 31-42.

[11] *Id*. at 46-54.

[12] *Id*. at 60-62.

[13] *Id*. at 66-73.

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was made during the crop year 1995-1996, which was earlier than the referral of the matter to *Barangay* Cansilayan.

On July 31, 2000, the RTC denied the Motion to Dismiss. It held that it had jurisdiction over the case because the area of the subject properties was 44 hectares, more or less, and "it is safe to presume that the value of the same is more than ₱20,000.00."[14]

Ruling of the Regional Trial Court

On January 20, 2009, the RTC rendered a Decision ordering petitioner to turn over the subject properties to respondents and to pay them ₱50,000.00 as attorney's fees.

The RTC ratiocinated that the waiver of rights executed by Jaime to petitioner was coupled with a consideration. However, petitioner failed to prove that he paid a consideration for such a waiver; as such, petitioner was not entitled to possess the subject properties.

Both parties appealed to the CA.

On one hand, petitioner reiterated that the RTC had no jurisdiction over the case. He also maintained that respondents already waived their shares and rights over the properties to Jaime, who, in turn, renounced his rights to petitioner.

On the other hand, respondents assailed the RTC Decision in so far as it failed to award them damages as a result of petitioner's purported illegal entry and possession of the subject properties.

Ruling of the Court of Appeals

On May 28, 2012, the CA affirmed the RTC Decision.

The CA dismissed respondents' appeal because they did not establish entitlement to damages. It likewise dismissed the appeal interposed by petitioner for failing to establish that he

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[14] *Id*. at 110-111.

gave any consideration in relation to Jaime's waiver of rights in his (petitioner) favor.

In addition, the CA ruled that the RTC had jurisdiction over this case considering that the parties stipulated on the jurisdiction of the RTC but also because the assessed value of the subject properties is presumed to have exceeded ₱20,000.00.

Issues

Hence, petitioner filed this Petition raising the issues as follows:

I. DID THE REGIONAL TRIAL COURT HAVE JURISDICTION OVER THE SUBJECT MATTER OF THE CASE?

II. DID THE COURT OF APPEALS ERR IN RULING THAT PETITIONER SHOULD RETURN POSSESSION OF THE PROPERTIES SUBJECT OF THIS CASE TO THE RESPONDENTS?

III. SHOULD THE PETITIONER BE AWARDED DAMAGES?[15]

Petitioner's Arguments

Petitioner insists that respondents filed their Complaint for recovery of physical possession of the subject properties on March 9, 1998 or within one year from the date the parties had their confrontation before the *Barangay* of Cansilayan (September 29, 1997). As such, he maintains that the RTC did not have jurisdiction over the case.

Petitioner also posits that even granting that this action is considered a plenary action to recover right of possession, the RTC still had no jurisdiction because the tax declarations of the properties were not submitted, and consequently, it cannot be determined whether it is the MTC or RTC which has jurisdiction over the case.

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[15] *Rollo*, p. 8.

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Moreover, petitioner argues that Jaime's waiver in his (petitioner's) favor was coupled with the following considerations: 1) ₱400,000.00 cash; 2) a car worth ₱350,000.00; and 3) a convenience store worth ₱1,500,000.00. He adds that the delivery of the properties to him confirms that he (petitioner) gave said considerations to Jaime.

Later, in his Manifestation and Motion,[16] petitioner points out that although the body of the assailed CA Decision made reference to the January 20, 2009 RTC Decision, its dispositive portion pertained to a different case, to wit:

> WHEREFORE, premises considered, the August 29, 2008 Decision of the Regional Trial Court, Branch 10 in Civil Case No. CEB-30866 is AFFIRMED.
>
> Costs against both appellants.
>
> SO ORDERED.[17] (Underlining ours)

Consequently, petitioner prays that the dispositive portion of the CA Decision be rectified to refer to the actual case subject of the appeal.

Respondents' Arguments

On the other hand, respondents contend that the CA did not commit any reversible error in rendering the assailed Decision. They insist that petitioner's contentions are unsubstantial to merit consideration.

Our Ruling

The Court grants the Petition.

In our jurisdiction, there are three kinds of action for recovery of possession of real property: 1) ejectment (either for unlawful detainer or forcible entry) in case the dispossession has lasted for not more than a year; 2) *accion publiciana* or a plenary action for recovery of real right of possession when dispossession

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[16] *Id*. at 203-204.

[17] CA *rollo*, p. 96.

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has lasted for more than one year; and, 3) *accion reivindicatoria* or an action for recovery of ownership.[18]

Pursuant to Republic Act No. 7691 (RA 7691),[19] the proper Metropolitan Trial Court (MeTC), MTC, or Municipal Circuit Trial Court (MCTC) has exclusive original jurisdiction over ejectment cases. Moreover, jurisdiction of the MeTC, MTC, and MCTC shall include civil actions involving title to or possession of real property, or any interest therein where the assessed value of the property does not exceed ₱20,000.00 (or ₱50,000.00 in Metro Manila).[20] On the other hand, the RTC has exclusive original jurisdiction over civil actions involving title to or possession of real property, or any interest therein in case the assessed value of the property exceeds ₱20,000.00 (or ₱50,000.00 in Metro Manila).[21]

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[18] *Encarnacion v. Amigo,* 533 Phil. 466, 472 (2006).

[19] 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 [BP 129] (Judiciary Reorganization Act of 1980), March 25, 1994.

[20] Section 3. Section 33 of [BP 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:

x x x x x x x x x

(2) Exclusive original jurisdiction over cases of forcible entry and unlawful detainer 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 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.

[21] Section 1. Section 19 of [BP 129] is hereby amended to read as follows:

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

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Jurisdiction is thus determined not only by the type of action filed but also by the assessed value of the property. It follows that in *accion publiciana* and *reivindicatoria*, the assessed value of the real property is a jurisdictional element to determine the court that can take cognizance of the action.[22]

In this case, petitioner consistently insists that a) the Complaint is one for ejectment; or b) if the same is deemed an *accion publiciana*, the RTC still lacks jurisdiction as the assessed value of the subject properties was not alleged in the Complaint.

As such, to ascertain the proper court that has jurisdiction, reference must be made to the averments in the complaint, and the law in force at the commencement of the action. This is because only the facts alleged in the complaint can be the basis for determining the nature of the action, and the court that can take cognizance of the case.[23]

Here, the pertinent portions of the Complaint read:

2. That plaintiffs [herein respondents] are the owners of two (2) parcels of land known as Lot. No. 138-D with Transfer Certificate of Title No. T-103187 and Lot No. 138-S with Transfer Certificate of Title No. T-103189, with a total land area of 44 hectares, all of Murcia Cadastre x x x;

3. That sometime in 1994, without the knowledge and consent of herein plaintiffs, the defendant [herein petitioner] entered into and took possession of the aforementioned parcels of land and planted sugar cane without paying any rental to herein plaintiffs;

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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 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;

[22] *Spouses Cruz v. Spouses Cruz,* 616 Phil. 519, 527 (2009).

[23] *Id*. at 523-524.

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4. That plaintiffs discovered the illegal entry and occupation by the defendant of the aforementioned property and demand to vacate the property was made orally to the defendant sometime in 1995-96 crop year but defendant refused and still refuses to vacate the premises;

5. A confrontation before the Brgy. Kapitan of Brgy[.] Cansilayan, Murcia, Negros Occidental, and before the Pangkat Tagapag[ka]sundo between herein parties where plaintiffs again demanded orally for the defendant to vacate the premises but defendant refused to vacate the premises and no amicable settlement was reached during the confrontation of the parties, thus a certificate to file action has been issued x x x;

6. That plaintiffs were barred by the defendant from entering the property of the plaintiffs for the latter to take possession of the same and plant sugar cane thereby causing damages to the plaintiffs;

7. That because of the refusal of the defendant to allow the plaintiffs to take possession and control of their own property, plaintiffs were constrained to seek the aid of counsel and consequently thereto this complaint.[24]

Under Section 1,[25] Rule 70 of the Rules of Court, there are special jurisdictional facts that must be set forth in the complaint to make a case for ejectment, which, as mentioned, may either be for forcible entry or unlawful detainer.

In particular, a complaint for forcible entry must allege the plaintiff's prior physical possession of the property; the fact

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[24] Records, pp. 1-2.

[25] Section 1. *Who May Institute Proceedings, and When*.— Subject to the provisions of the next succeeding section, a person deprived of the possession of any land or building by force, intimidation, threat, strategy, or stealth, or a lessor, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such lessor, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper Municipal Trial Court against the person or persons unlawfully withholding or depriving of possession, or any person or persons claiming under them, for the restitution of such possession, together with damages and costs. (1a)

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that plaintiff was deprived of its possession by force, intimidation, threat, strategy, or stealth; and the action must be filed within one year from the time the owner or the legal possessor learned of their dispossession.[26] On the other hand, a complaint for unlawful detainer must state that the defendant is unlawfully withholding possession of the real property after the expiration or termination of his or her right to possess it; and the complaint is filed within a year from the time such possession became unlawful.[27]

In the instant case, respondents only averred in the Complaint that they are registered owners of the subject properties, and petitioner unlawfully deprived them of its possession. They did not assert therein that they were dispossessed of the subject properties under the circumstances necessary to make a case of either forcible entry or unlawful detainer. Hence, in the absence of the required jurisdictional facts, the instant action is not one for ejectment.[28]

Nonetheless, the Court agrees with petitioner that while this case is an *accion publiciana*, there was no clear showing that the RTC has jurisdiction over it.

Well-settled is the rule that jurisdiction is conferred only by law. It cannot be presumed or implied, and must distinctly appear from the law. It cannot also be vested upon a court by the agreement of the parties; or by the court's erroneous belief that it had jurisdiction over a case.[29]

To emphasize, when respondents filed the Complaint in 1998, RA 7691 was already in force as it was approved on March 25, 1994 and took effect on April 15, 1994.[30] As such, it is necessary that the assessed value of the subject properties, or its adjacent

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[26] *Nuñez v. SLTEAS Phoenix Solutions, Inc.,* 632 Phil. 143, 153 (2010).

[27] *Barbosa v. Hernandez,* 554 Phil. 1, 6 (2007).

[28] *Id*. at 7.

[29] *Salvador v. Patricia, Inc.,* G.R. No. 195834, November 9, 2016.

[30] *Id*.

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lots (if the properties are not declared for taxation purposes)[31] be alleged to ascertain which court has jurisdiction over the case.[32]

As argued by petitioner, the Complaint failed to specify the assessed value of the subject properties. Thus, it is unclear if the RTC properly acquired jurisdiction, or the MTC has jurisdiction, over respondents' action.

Also worth noting is the fact that the RTC took cognizance of the Complaint only on the presumption that the assessed value of the properties exceeds ₱20,000.00. Aside from affirming such presumption, the CA, in turn, declared that the RTC had jurisdiction because the parties stipulated on it. However, as discussed, jurisdiction cannot be presumed. It cannot be conferred by the agreement of the parties, or on the erroneous belief of the court that it had jurisdiction over a case.

Indeed, in the absence of any allegation in the Complaint of the assessed value of the subject properties, it cannot be determined which court has exclusive original jurisdiction over respondents' Complaint. Courts cannot simply take judicial notice of the assessed value, or even market value of the land.[33] Resultantly, for lack of jurisdiction, all proceedings before the RTC, including its decision, are void,[34] which makes it unnecessary to discuss the other issues raised by petitioner.

As a final note, while the modification of the clerical error in the dispositive portion of the CA Decision is rendered irrelevant by the dismissal of the Complaint for lack of jurisdiction, the Court, nonetheless, reminds the CA and all other courts to be more circumspect in rendering their decision, including ensuring the correctness of the information in their issuances. After all, courts are duty-bound to render accurate

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[31] *Cabling v. Dangcalan,* G.R. No. 187696, June 15, 2016.

[32] *Spouses Cruz v. Spouses Cruz*, *supra* note 22 at 527-528.

[33] *Quinagoran v. Court of Appeals*, 557 Phil. 650, 661 (2007).

[34] *Spouses Cruz v. Spouses Cruz*, *supra* note 22 at 528.

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decisions, or that which clearly and distinctly express the facts and the law on which the same is based.[35]

WHEREFORE, the Petition is **GRANTED**. The May 28, 2012 Decision of the Court of Appeals in CA-G.R. CV No. 02994 is **REVERSED and SET ASIDE**. Accordingly, the Complaint in Civil Case No. 98-10187 is **DISMISSED.**

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Jardeleza, and *Tijam, JJ.,* concur.

THIRD DIVISION

[G.R. No. 209468. December 13, 2017]

UNITED DOCTORS MEDICAL CENTER, *petitioner, vs.* **CESARIO BERNADAS, represented by LEONILA BERNADAS,** *respondent.*

SYLLABUS

1. LABOR AND SOCIAL LEGISLATION; THE LABOR CODE, AS AMENDED; RETIREMENT; RETIREMENT BENEFITS AND INSURANCE PROCEEDS, DISTINGUISHED; GRANT OF INSURANCE PROCEEDS NOT A BAR TO THE GRANT OF RETIREMENT BENEFITS.— Jurisprudence characterizes retirement as "the result of a bilateral act of the parties, a voluntary agreement between the employer and the employee whereby the latter, after reaching a certain age, agrees to sever his or her employment

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[35] CONSTITUTION, Article VIII, Section 14.