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y Marquez is found *GUILTY* of rape and is sentenced to suffer the penalty of *reclusion perpetua.* Appellant is ordered to pay complainant Charlyn Fernandez the amount of ₱50,000.00 as civil indemnity and ₱50,000.00 as moral damages.

In Criminal Case No. 14115, referring to the crime committed on July 5, 1995, appellant is found *GUILTY* of rape and is sentenced to suffer the penalty of *reclusion perpetua.* Appellant is ordered to pay complainant the amount of ₱50,000.00 as civil indemnity and ₱50,000.00 as moral damages.

In Criminal Case Nos. 14116, 14117 and 14118, appellant is *ACQUITTED* for failure of the prosecution to establish his guilt beyond reasonable doubt.

SO ORDERED.

Bellosillo, Puno, Vitug, Mendoza, Quisumbing, Ynares-Santiago, Sandoval-Gutierrez, Carpio, Austria-Martinez, and *Corona, JJ.,* concur.

Davide, Jr., C.J., on official leave.

Panganiban, J., abroad on official business.

THIRD DIVISION

[G.R. No. 134230. July 17, 2002]

JOVENAL OUANO, *petitioner, vs.* **PGTT INTERNATIONAL INVESTMENT CORPORATION and HON. JUDGE RAMON G. CODILLA, JR.,** *respondents.*

SYNOPSIS

PGTT International Investment Corporation filed a complaint for Recovery of Ownership and Possession of Real Property

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and Damages against Juvenal Ouano before the Regional Trial Court (RTC) of Cebu City. Ouano filed a motion to dismiss on the ground that it is the Municipal Trial Court (MTC) which has jurisdiction over the case considering that the assessed value of the lots involved is only ₱2,910.00 as indicated in the latest tax declaration. In its opposition, PGTT contended that the RTC has jurisdiction considering that the market value of the lots involved is ₱49,760.00 and the claim for damages exceed ₱100,000.00 over which the RTC has exclusive original jurisdiction under Section 19 (paragraph 8) of Batas Pambansa Bilang 129 (The Judiciary Reorganization Act of 1980). Thereafter, the trial court denied the motion to dismiss on the ground that the assessed value was very unrealistic. It likewise denied the motion for reconsideration filed by Ouano by sustaining the observation of PGTT's counsel as to the issue on damages. Hence, this petition.

The Court held that since the action involves ownership and possession of real property, the jurisdiction over the subject matter of the claim is determined by the assessed value, not the market value, thereof, pursuant to Section 33 (paragraph 3) of Batas Pambansa Blg. 129, as amended by R.A. 7691. Moreover, Section 19 (paragraph 8) of Batas Pambansa Blg. 129, as amended by R.A. 7691, does not apply to the instant case. It is applicable only to "all other cases" other than an action involving title to, or possession of real property in which the assessed value is the controlling factor in determining the court's jurisdiction. Besides, the same provision explicitly excludes from the determination of the jurisdictional amount the demand for "interest, damages of whatever kind, attorney's fees, litigation expenses, and costs." The exclusion of such damages is reiterated in Section 33, paragraph 3 of the same Batas Pambansa Blg. 129, as amended. Accordingly, the instant petition was granted.

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; HIERARCHY OF COURTS; SUPREME COURT IS A COURT OF LAST RESORT.** — [I]t is necessary to stress that a direct recourse to this Court is highly improper, for it violates the established policy of strict observance of the judicial hierarchy

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of courts. We need to reiterate, for the guidance of petitioner, that this Court's original jurisdiction to issue a writ of *certiorari* (as well as prohibition, *mandamus, quo warranto, habeas corpus* and injunction) is concurrent with the Court of Appeals (CA), as in the present case, and with the RTCs in proper cases within their respective regions. However, this concurrence of jurisdiction does not grant a party seeking any of the extraordinary writs the absolute freedom to file his petition with the court of his choice. This Court is a court of last resort, and must so remain if it is to satisfactorily perform the functions assigned to it by the Constitution and immemorial tradition. The hierarchy of courts determines the appropriate forum for such petitions. Thus, petitions for the issuance of such extraordinary writs against the first level ("inferior") courts should be filed with the RTC, and those against the latter, with the CA.

2. **ID.; ID.; ID.; ID.; ID.; DIRECT INVOCATION OF SUPREME COURT JURISDICTION SHOULD BE ALLOWED ONLY WHEN THERE ARE SPECIAL AND IMPORTANT REASONS; NOT PRESENT IN CASE AT BAR.** — A direct invocation of this Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition. This is the established policy. It is a policy that is necessary to prevent inordinate demands upon this Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of its docket. Unfortunately, the instant petition does not allege any special and compelling reason to justify a direct recourse to this Court.

3. **ID.; BATAS PAMBANSA BLG. 129; EXCLUSIVE ORIGINAL JURISDICTION OF COURTS; DETERMINED BY THE ASSESSED VALUE OF THE PROPERTY IF IT INVOLVES OWNERSHIP OR POSSESSION OF REAL PROPERTY.** — The complaint seeks to recover from private respondent the ownership and possession of the lots in question and the payment of damages. Since the action involves ownership and possession of real property, the jurisdiction over the subject matter of the claim is determined by the *assessed value, not the market value,* thereof, pursuant to *Batas Pambansa Blg. 129*, as amended by R.A. 7691.

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4. ID.; ID.; ID.; ID.; EXCLUSION FROM THE DETERMINATION THEREOF. — [Section 19 (paragraph 8) of Batas Pambansa Blg. 129, as amended by R.A. 7691] does not apply to the instant case. It is applicable only to "all *other cases" other than an action involving title to, or possession of real property* in which the assessed value is the controlling factor in determining the court's jurisdiction. Besides, the same provision *explicitly excludes* from the determination of the jurisdictional amount the *demand for "interest, damages of whatever kind, attorney's fees, litigation expenses, and costs."* The exclusion of such damages is reiterated in Section 33, paragraph 3 of the same *Batas Pambansa Blg. 129*, as amended, quoted earlier. The said damages are merely incidental to, or a consequence of, the main cause of action for recovery of ownership and possession of real property.

5. ID.; EVIDENCE; DISPUTABLE PRESUMPTIONS; TAX DECLARATION INDICATING THE ASSESSED VALUE OF THE PROPERTY ENJOYS THE PRESUMPTION OF REGULARITY. — It is undisputed that the assessed value of the property involved, as shown by the corresponding tax declaration, is only ₱2,910.00. As such, the complaint is well within the MTC's ₱20,000.00 jurisdictional limit. The finding of respondent judge that the value of the lots is higher than that indicated in the tax declaration and that, therefore, the RTC has jurisdiction over the case is highly speculative. It is elementary that the tax declaration indicating the assessed value of the property enjoys the presumption of regularity as it has been issued by the proper government agency.

APPEARANCES OF COUNSEL

Seno and Pagaran Law Offices for petitioner.
Zosa & Quijano Law Office for private respondent.

DECISION

SANDOVAL-GUTIERREZ, *J.*:

PGTT International Investment Corporation (PGTT), respondent, is a corporation duly organized under existing laws, with address at YASCO Bldg., M. J. Cuenco Ave., Cebu City.

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On December 11, 1997, PGTT filed with the Regional Trial Court (RTC), Branch 20, Cebu City, a verified complaint against Jovenal Ouano, petitioner, docketed as Civil Case No. CEB-21319, entitled "*PGTT INTERNATIONAL INVESTMENT CORPORATION, Plaintiff, vs. JUVENAL OUANO, Defendant*," for "Recovery of Ownership and Possession of Real Property and Damages."[1] In its complaint, PGTT alleged that it is the owner of Lot Nos. 1-10, Block 2 of the Sunnymeade Crescent Subdivision located at Pit-os, Talamban, Cebu City. Sometime in October of 1996, PGTT found that Ouano uprooted the concrete monuments of the said lots, plowed them and planted corn thereon. Despite PGTT's demand that he vacate the lots and restore them to their original condition, Ouano refused, claiming he is the owner and lawful possessor of the 380 square meters he occupied. Due to Ouano's wrongful act, PGTT was deprived of the use of its property and suffered damages in the amount of ₱100,000.00 a year. Likewise, PGTT was constrained to file the subject action and hired the services of his counsel for ₱100,000.00. PGTT prayed:

"WHEREFORE, in view of all the foregoing, it is most respectfully prayed that after due notice and hearing, judgment be rendered ordering defendant (Jovenal Ouano) to vacate the premises and restore the lots to their original condition; pay plaintiff (PGTT) ₱100,000.00 as damages per year, beginning October, 1996 until he shall have vacated the premises and restored the lots to their original condition; pay ₱100,000.00 as attorney's fees; and pay ₱50,000.00 as expenses of litigation.

"Plaintiff prays for such other reliefs and remedies, just and equitable under the premises."[2]

On February 5, 1998, Ouano filed a motion to dismiss the complaint on the ground that it is the Municipal Trial Court (MTC), not the RTC, which has jurisdiction over it considering that the *assessed value* of the lots involved is only ₱2,910, as

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[1] Annex "A", Petition, *rollo*, p. 13.

[2] Annex "A", Petition, *rollo*, p. 14.

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indicated in the latest tax declaration,[3] citing Section 19 (paragraph 2) and Section 33 (paragraph 3) of *Batas Pambansa Bilang* 129 (The Judiciary Reorganization Act of 1980), as amended by Republic Act No. 7691.[4]

In its opposition to Ouano's motion, PGTT contends that the RTC has jurisdiction since the *market value* of the lots is ₱49,760.00.[5] Besides, the complaint is not only an action for recovery of ownership and possession of real property, but also for damages exceeding ₱100,000.00, over which claim the RTC has exclusive original jurisdiction under Section 19 (paragraph 8) of the same law.

On March 6, 1998, the RTC, presided by Judge Ramon G. Codilla, Jr., issued an Order denying the motion to dismiss, holding that:

"This court believes that this court has jurisdiction to try this case considering that the real properties consist of ten parcels of land in a subdivision and the court takes note that there is a discrepancy somewhere by the Office of the City Assessor in the Assessment of the parcels of land for only less than ₱2,000.00 and that the government is very much at a loss by these unrealistic valuation."[6]

Ouano filed a motion for reconsideration but was likewise denied by the RTC in its Order dated May 27, 1998. The trial court ruled it has jurisdiction over the case because "(i)t is of judicial knowledge that the real properties situated in Cebu City command a higher valuation than those indicated in the tax declaration. The observation of plaintiff's (PGTT's) counsel as to the issue on damages is likewise sustained considering

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[3] Annex "1", Motion To Dismiss, *rollo*, p. 19.

[4] 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.'

[5] Declarations of Real Property, *rollo*, pp. 23-39.

[6] Annex "D", Petition, *rollo*, p. 32.

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that, being a corporation, it may have incurred damages in the form of unrealized profits."[7]

Hence the present petition for *certiorari* filed by Ouano under Rule 65 of the 1997 Rules of Civil Procedure, as amended, assailing the Orders of respondent judge dated March 6, 1998 and May 27, 1998 as having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction.

At the outset, it is necessary to stress that a direct recourse to this Court is highly improper, for it violates the established policy of strict observance of the judicial hierarchy of courts.[8] We need to reiterate, for the guidance of petitioner, that this Court's original jurisdiction to issue a writ of *certiorari* (as well as prohibition, *mandamus*, *quo warranto*, *habeas corpus* and injunction) is *concurrent* with the Court of Appeals (CA), as in the present case, and with the RTCs in proper cases within their respective regions.[9] However, this concurrence of jurisdiction does not grant a party seeking any of the extraordinary writs the absolute freedom to file his petition with the court of his choice. This Court is a court of last resort, and must so remain if it is to satisfactorily perform the functions assigned to it by the Constitution and immemorial tradition.[10] The hierarchy of courts determines the appropriate forum for such petitions. Thus, petitions for the issuance of such extraordinary writs against the first level ("inferior") courts should be filed with the RTC, and those against the latter, with the CA.[11] A direct invocation of this Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition.

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[7] Annex "I", Petition, *rollo*, p. 42.

[8] *Vergara, Sr. vs. Suelto*, 156 SCRA 753, 766 (1987); *People vs. Cuaresma*, 172 SCRA 415, 424 (1989); and *Santiago vs. Vasquez*, 217 SCRA 633, 651-652 (1993).

[9] *People vs. Cuaresma, ibid.*, p. 423.

[10] *Vergara, Sr. vs. Suelto, supra*, p. 766.

[11] *People vs. Cuaresma, supra*, p. 424.

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This is the established policy. It is a policy that is necessary to prevent inordinate demands upon this Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of its docket.[12] Unfortunately, the instant petition does not allege any special and compelling reason to justify a direct recourse to this Court. However, we deem it more appropriate and practical to resolve the controversy in order to avoid further delay, but only in this instance.

The lone issue for our resolution is whether the RTC has jurisdiction over Civil Case No. CEB-21319.

The complaint seeks to recover from private respondent the ownership and possession of the lots in question and the payment of damages. Since the action involves ownership and possession of real property, the jurisdiction over the subject matter of the claim is determined by the *assessed value*, *not* the *market value*, thereof, pursuant to *Batas Pambansa Blg.* 129, as amended by R.A. 7691. Section 33 (paragraph 3 of the said law provides:

"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 (₱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.

x x x." (Italics ours)

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[12] *People vs. Cuaresma, ibid.*; *Vergara, Sr. vs. Suelto, supra; Santiago vs. Vasquez, supra.*

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Likewise, Section 19 (paragraph 2) of the same law reads:

"Sec. 19. *Jurisdiction in civil cases.* — The *Regional Trial Court* shall exercise *exclusive original* jurisdiction:

xxx xxx xxx.

(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." (Italics ours)

It is undisputed that the assessed value of the property involved, as shown by the corresponding tax declaration, is only ₱2,910.00. As such, the complaint is well within the MTC's ₱20,000.00 jurisdictional limit.

The finding of respondent judge that the value of the lots is higher than that indicated in the tax declaration and that, therefore, the RTC has jurisdiction over the case is highly speculative. It is elementary that the tax declaration indicating the assessed value of the property enjoys the presumption of regularity as it has been issued by the proper government agency.

Respondent judge further held that since the complaint also seeks the recovery of damages exceeding ₱100,000.00, then it is within the competence of the RTC pursuant to Section 19 (paragraph 8) of *Batas Pambansa Blg.* 129, as amended by R.A. 7691, which states:

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

xxx xxx xxx.

"(8) In all *other cases* in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs or the value of the property in controversy exceeds One Hundred Thousand Pesos (₱100,000.00) or, in such other cases in Metro Manila,

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where the demand, exclusive of the above mentioned items exceeds Two hundred thousand pesos (₱200,000.00)." (Italics ours)

The above provision does not apply to the instant case. It is applicable only to "all *other cases*" *other than an action involving title to, or possession of real property* in which the assessed value is the controlling factor in determining the court's jurisdiction. Besides, the same provision *explicitly excludes* from the determination of the jurisdictional amount the *demand for "interest, damages of whatever kind, attorney's fees, litigation expenses, and costs."* The exclusion of such damages is reiterated in Section 33, paragraph 3 of the same *Batas Pambansa Blg.* 129, as amended, quoted earlier. The said damages are merely incidental to, or a consequence of, the main cause of action for recovery of ownership and possession of real property. In this connection, this Court issued Administrative Circular No. 09-94 setting the guidelines in the implementation of R.A. 7691. Paragraph 2 states:

"2. *The exclusion of the term 'damages of whatever kind' in determining the jurisdictional amount under Section 19 (8) and Section 33 (1) of B.P. Blg. 129, as amended by R.A. 7691, applies to cases where the damages are merely incidental to or a consequence of the main cause of action.* However, in cases where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court." (Italics ours)

We thus find that in issuing the assailed orders denying petitioner's motion to dismiss, thus taking cognizance of the case, the RTC committed grave abuse of discretion.

WHEREFORE, the instant petition is *GRANTED*. The assailed Orders issued by respondent RTC on March 6, 1998 and May 27, 1998 in Civil Case No. CEB-21319 are *SET ASIDE*. Accordingly, the complaint is ordered *DISMISSED*.

SO ORDERED.

Puno (Chairman), Panganiban, and *Carpio, JJ.,* concur.