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FIRST DIVISION

[G.R. No. 149554. July 1, 2003]

SPOUSES JORGE J. HUGUETE and YOLANDA B. HUGUETE, *petitioners, vs.* **SPOUSES TEOFREDO AMARILLO EMBUDO and MARITES HUGUETE-EMBUDO,** *respondents.*

SYNOPSIS

Petitioners filed a complaint before the RTC for the annulment of deed of sale and partition, alleging that their son-in-law, respondent Teofredo, sold to them a portion of his 150-square meter parcel of land in Talisay, Cebu for a consideration of ₱15,000.00, but despite demands, Teofredo refused to partition the lot between them. Respondents filed a Motion to Dismiss, insisting that the action is one for annulment of title, and since the assessed value of the property as stated in the complaint is ₱15,000.00, it falls within the exclusive jurisdiction of the MTC. Petitioners opposed the motion to dismiss, alleging that the subject matter is incapable of pecuniary estimation, therefore is cognizable by the RTC. The trial court dismissed the complaint for lack of jurisdiction.

On appeal, the Supreme Court denied the petition, ruling: that the nature of an action is not determined by what is stated in the caption of the complaint, but by the allegations of the complaint and the reliefs prayed for. Where, as in this case, the ultimate objective of the plaintiffs is to obtain title to real property they purchased, it should be filed in the proper court having jurisdiction over the assessed value of the property subject thereof.

SYLLABUS

REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; NATURE OF AN ACTION IS DETERMINED BY THE ALLEGATIONS AND THE RELIEFS PRAYED FOR IN THE COMPLAINT; CASE AT BAR. — The nature of an action is not determined by what is stated in the caption of the complaint but by the allegations

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of the complaint and the reliefs prayed for. Where, as in this case, the ultimate objective of the plaintiffs is to obtain title to real property, it should be filed in the proper court having jurisdiction over the assessed value of the property subject thereof.

APPEARANCES OF COUNSEL

Loreto M. Durano for petitioners.
Balorio & Pintor Law Office for private respondents.

D E C I S I O N

YNARES-SANTIAGO, *J.*:

This is a petition for review assailing the Orders dated June 27, 2001[1] and July 26, 2001[2] of the Regional Trial Court of Cebu City, Branch 7, in Civil Case No. CEB-24925.

On March 2, 2000, petitioner spouses Jorge and Yolanda Huguete instituted against respondent spouses Teofredo Amarillo Embudo and Marites Huguete-Embudo a complaint for "*Annulment of TCT No. 99694, Tax Declaration No. 46493, and Deed of Sale, Partition, Damages and Attorney's Fees*," docketed as Civil Case No. CEB-24925 of the Regional Trial Court of Cebu City, Branch 7. Petitioners alleged that their son-in-law, respondent Teofredo, sold to them a 50-square meter portion of his 150-square meter parcel of land, known as Lot No. 1920-F-2, situated in San Isidro, Talisay, Cebu, for a consideration of ₱15,000.00; that Teofredo acquired the lot from Ma. Lourdes Villaber-Padillo by virtue of a deed of sale,[3] after which Transfer Certificate of Title No. 99694 was issued solely in his name; that despite demands, Teofredo refused to partition the lot between them.

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[1] *Rollo*, pp. 23-24; penned by Judge Simeon P. Dumdum, Jr.

[2] *Id.*, p. 34.

[3] Records, p. 10.

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On March 15, 2001, respondents filed a Motion to Dismiss[4] the complaint on the ground of lack of jurisdiction over the subject matter of the case, arguing that the total assessed value of the subject land was only ₱15,000.00 which falls within the exclusive jurisdiction of the Municipal Trial Court, pursuant to Section 33(3)[5] of Batas Pambansa Blg. 129, as amended by Republic Act No. 7691.[6]

Petitioners filed an Opposition to the Motion to Dismiss[7] alleging that the subject matter of the action is incapable of pecuniary estimation and, therefore, is cognizable by the Regional Trial Court, as provided by Section 19(1) of B.P. 129, as amended.[8]

The trial court dismissed the complaint for lack of jurisdiction. Petitioners filed a Motion for Reconsideration,[9] which was denied on July 26, 2001.

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[4] *Id.*, p. 21.

[5] 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 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] 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.

[7] Records, p. 25.

[8] Section 19. Jurisdiction in civil cases. — Regional Trial Courts shall exercise exclusive original jurisdiction:

(1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation; x x x

[9] Records, p. 63.

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Hence, this petition for review based on the following errors:

I

THE HONORABLE COURT ERRED IN HOLDING THAT IT HAS NO JURISDICTION OVER THE CASE PURSUANT TO SECTION 33 (3) OF BATAS PAMBANSA BILANG 129 IN UTTER DISREGARD OF SECTION 19(1) OF THE SAME LAW AS WELL AS SETTLED JURISPRUDENCE ENUNCIATED IN *RUSSEL VS. VESTIL*, 304 SCRA 738 (MARCH 17, 1999) WHICH, WITH DUE RESPECT, WAS TAKEN OUT OF CONTEXT.

II

THE HONORABLE COURT COMMITTED AN ERROR IN NOT HOLDING THAT RESPONDENTS WHO SEEK AFFIRMATIVE RELIEF AND THEREBY INVOKE THE AUTHORITY OF THE COURT IN THEIR COUNTERCLAIM ARE ESTOPPED TO DENY THE JURISDICTION OF THE HONORABLE COURT.[10]

The petition lacks merit.

Petitioners maintain that the complaint filed before the Regional Trial Court is for the annulment of deed of sale and partition, and is thus incapable of pecuniary estimation. Respondents, on the other hand, insist that the action is one for annulment of title and since the assessed value of the property as stated in the complaint is ₱15,000.00, it falls within the exclusive jurisdiction of the Municipal Trial Court.

The pertinent portions of the complaint alleged:

4. Sometime in the year 1995, Teofredo A. Embudo, the son-in-law of plaintiffs offered them portion of Lot No. 1920-F-2, situated in San Isidro, Talisay, Cebu, which defendants bought on installment basis from Ma. Lourdes Villaber-Padillo. Desirous to live near their daughter and grandchildren, they accepted defendant's offer. Immediately, plaintiffs paid defendants the sum of FIFTEEN THOUSAND PESOS (₱15,000.00) as full consideration and payment of the purchase of 50-square meter lot at a price of THREE HUNDRED PESOS (₱300.00) per square meter;

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[10] *Rollo*, p. 12.

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5. Happily, plaintiffs built their house on the portion they bought from defendants which is adjacent to defendant's house. Plaintiffs were issued Tax Declaration No. 53170 for the house, copy is hereto attached to form part hereof and marked as Annex "A";

6. Notwithstanding repeated demands for the execution of the Deed of Sale, defendants with insidious machination led plaintiffs to believe that the necessary document of conveyance could not as yet be executed for the reason that they have not yet paid in full their obligation to Ma. Lourdes Villaber-Padillo, the original owner of the lot in question, when in truth and in fact, as plaintiffs came to know later, that the aforesaid defendants were already in possession of a Deed of Sale over the entire lot in litigation in which it appeared that they are the sole buyers of the lot, thusly consolidating their ownership of the entire lot to the exclusion of the plaintiffs. A copy of the Deed of Sale is hereto attached to form part hereof and marked as Annex "B".

7. As a way to further their fraudulent design, defendants secured the issuance of Transfer Certificate of Title No. T-99694 solely in their names on the basis of the Deed of Sale aforementioned (Annex "A" hereof), without the knowledge of the plaintiffs. A copy of the aforesaid Transfer Certificate of Title is hereto attached as an integral part hereof and marked as Annex "C".

8. Since considerable time had already elapsed that defendants had given plaintiffs a run-around, plaintiffs then demanded for the partition of the lot, segregating a portion in which their residential house stands, and despite such demand defendants, without qualm of conscience refused and still refuse to partition the lot;

x x x x x x x x x;

PRAYER

WHEREFORE, premises considered, this Honorable Court is most respectfully prayed to render judgment in favor of plaintiffs and against defendants, ordering —

1. Defendants to partition, divide and segregate a portion on which the house of plaintiffs is situated, with an area of Fifty (50) Square Meters;

2. That the Deed of Sale dated December 28, 1995 entered into by and between defendants and the previous owner of the lot in question be annulled and cancelled;

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3. The Register of Deeds of the Province of Cebu to annul/cancel Transfer Certificate of Title No. 99694 in the name of the defendants and in lieu thereof directing him to issue Transfer Certificate of Title in favor of plaintiffs for the 50-square meter lot and another Transfer Certificate of Title in favor of defendants for the remaining 100-square meter lot;

4. The Municipal Assessor of Talisay, Cebu to cancel Tax Declaration No. 46493 in the name of the defendants and directing him to issue Tax Declaration in the name of the defendants for the 50-square meter lot and another Tax Declaration in the name of the plaintiffs for the remaining 100-square meter lot;

x x x x x x x x x.[11]

In *Cañiza v. Court of Appeals*,[12] it was held that what determines the nature of an action as well as which court has jurisdiction over it are the allegations of the complaint and the character of the relief sought. Moreover, in *Singsong v. Isabela Sawmill*,[13] we ruled that:

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

The reliance of the petitioners on the case of *Russell v. Vestil*[14] is misplaced. In the said case, petitioners sought the

[11] Records, pp. 2-7.

[12] G.R. No. 110427, 24 February 1997, 268 SCRA 640.

[13] 88 SCRA 623 (1979).

[14] 364 Phil. 392 (1999).

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annulment of the document entitled, "*Declaration of Heirs and Deed of Confirmation of Previous Oral Partition*," whereby respondents declared themselves as the only heirs of the late Spouses Casimero and Cesaria Tautho to the exclusion of petitioners. Petitioners brought the action in order for them to be recognized as heirs in the partition of the property of the deceased. It was held that the action to annul the said deed was incapable of pecuniary estimation and the consequent annulment of title and partition of the property was merely incidental to the main action. Indeed, it was also ruled in said case:

> While actions under Section 33(3) of B.P. 129 are also incapable of pecuniary estimation, the law specifically mandates that they are cognizable by the MTC, METC, or MCTC where the assessed value of the real property involved does not exceed ₱20,000.00 in Metro Manila, or ₱30,000.00, if located elsewhere: x x x.[15]

In the case at bar, the principal purpose of petitioners in filing the complaint was to secure title to the 50-square meter portion of the property which they purchased from respondents.

Petitioners' cause of action is based on their right as purchaser of the 50-square meter portion of the land from respondents. They pray that they be declared owners of the property sold. Thus, their complaint involved title to real property or any interest therein. The alleged value of the land which they purchased was ₱15,000.00, which was within the jurisdiction of Municipal Trial Court. The annulment of the deed of sale between Ma. Lourdes Villaber-Padillo and respondents, as well as of TCT No. 99694, were prayed for in the complaint because they were necessary before the lot may be partitioned and the 50-square meter portion subject thereof may be conveyed to petitioners.

Petitioners' argument that the present action is one incapable of pecuniary estimation considering that it is for annulment of deed of sale and not well-taken. As stated above, the nature of an action is not determined by what is stated in the caption

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[15] Russell, *supra*, p. 745.

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of the complaint but by the allegations of the complaint and the reliefs prayed for. Where, as in this case, the ultimate objective of the plaintiffs is to obtain title to real property, it should be filed in the proper court having jurisdiction over the assessed value of the property subject thereof.

WHEREFORE, in view of the foregoing, the instant petition for review is *DENIED*. The Order dated June 27, 2001 of the Regional Trial Court of Cebu City, Branch 7, dismissing Civil Case No. CEB-24925, and its Order dated July 26, 2001 denying petitioners' Motion for Reconsideration, are *AFFIRMED*.

SO ORDERED.

Davide, Jr., C.J., Vitug, Carpio, and *Azcuna, JJ.*, concur.

THIRD DIVISION

[G.R. No. 149878. July 1, 2003]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* **TIU WON CHUA *a.k.a.* "Timothy Tiu" and QUI YALING *y* CHUA *a.k.a.* "Sun Tee Sy *y* Chua"**, *accused-appellants.*

SYNOPSIS

Appellants were convicted for violation of the Dangerous Drugs Act of 1972, as amended by RA No. 7659. On appeal, they assailed the legality of the search warrant and the search and arrest conducted pursuant thereto, and the correctness of the judgment of conviction.