

FIRST DIVISION

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

**FILOMENA CABLING, PETITIONER, VS. RODRIGO DANGCALAN,
RESPONDENT.**

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 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 P2,100. 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]

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:

WHEFORE, 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 P50.00 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
3. To pay the plaintiff for moral damages in the amount of P20,000, exemplary damages in the amount of P10,000 and actual damages in the amount of P2,000.00 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 EXTINGTIVE PRESCRIPTION.

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]

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 P20,000, 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:

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

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 (P20,000.00) or for civil actions in Metro Manila, where such value exceeds Fifty thousand pesos (P50,000.00) 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

- (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 (P20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty thousand pesos (P50,000.00) 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 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