

THIRD DIVISION

[G.R. No. 172447, September 18, 2009]

**IGLESIA EVANGELICA METODISTA EN LAS ISLAS FILIPINAS
(IEMELIF), INC., PETITIONER, VS. NATANAEL B. JUANE,
RESPONDENT.**

[G.R. NO. 179404]

**NATANAEL B. JUANE, PETITIONER, VS. IGLESIA EVANGELICA
METODISTA EN LAS ISLAS FILIPINAS (IEMELIF), INC.,
RESPONDENT.**

D E C I S I O N

CHICO-NAZARIO, J.:

Before this Court are two consolidated cases arising from a Complaint, captioned "Unlawful Detainer," filed by Iglesia Evangelica Metodista en las Islas Filipinas (IEMELIF), Inc. against Reverend Natanael B. Juane (Juane), docketed as Civil Case No. 173711-CV, and raffled to the Metropolitan Trial Court (MeTC) of Manila, Branch 26.

IEMELIF is a religious corporation existing and duly organized under Philippine laws. It alleged in its Complaint, dated 17 September 2002, that:

3. [IEMELIF] is the absolute and registered owner of a parcel of land with Transfer Certificate of Title No. 62080 particularly described as a parcel of land with Lot No. 77-B-2 of the subdivision plan psd-12951, being a portion of 77-B, pcs-367 of the cadastral survey of the City of Manila, G.L.R.O. cad. rec. 264 as shown in Plan F-23-48, Office of the City Engineer and situated in Tondo, Manila. Likewise it is the absolute and registered owner of a parcel of land with TCT No. 14366 and situated on the SE line of Calle Sande Nos. 1462-1466, District of Tondo, Manila. x x x.

4. On these lots the Cathedral of the Iglesia Evangelica Metodista en las Islas Filipinas is located together with other improvements including the Pastor's residence and the church's school.

5. [Juane] is a former minister or pastor of IEMELIF. He was elected as one of the members of the Highest Consistory of Elders (or Board of Trustees) of IEMELIF in the February 2000 IEMELIF General Conference. During the concluding Anniversary Service of said General Conference, IEMELIF Bishop Nathanael P. Lazaro, the General Superintendent of the whole IEMELIF Church and the General Administrator of the IEMELIF Cathedral in Tondo, Manila, during the reading of the "IEMELIF Workers'

Assignment", announced the appointment and assignment of [Juane] as Resident Pastor of the Cathedral Congregation in Tondo, Manila. By virtue and as a consequence of such appointment, Defendant Rev. Juane was authorized to stay at and occupy the Resident Pastor's residence inside the Cathedral complex. By the same reason, he also took charge of the Cathedral facilities and other property of the church in said premises. One year thereafter, during the traditional concluding IEMELIF Anniversary Service of the February 2001 General Conference, [Juane] was re-assigned and re-appointed by Bishop Lazaro to the same position.

6. On 03 March 2002, during the annual and regular reading of the "IEMELIF Workers' Assignment" in the concluding Anniversary Service of the IEMELIF 2002 General Conference, Bishop Lazaro, acting in his capacity as the General Superintendent of IEMELIF Church as well as the General Administrator of the IEMELIF Cathedral in Tondo, removed [Juane] as Resident Pastor of the Tondo Cathedral Congregation and assigned him as Resident Pastor of the Sta. Mesa (Banal na Hapag) Congregation. In view of this re-assignment, [Juane]'s authority to occupy and to take charge and possession of the premises of the IEMELIF Cathedral in Tondo ceased and expired. However, [Juane] defied said re-assignment and continued to arrogate upon himself the position of Resident Pastor of the Cathedral. To date, he continues to defy the Church authorities and still has physical possession and occupation of the Cathedral premises despite the expiration of his authority to do so and illegally depriving herein Plaintiff [IEMELIF] physical possession thereof.

7. Further, on 10 May 2002, the Highest Consistory of Elders of the IEMELIF Church, upon recommendation of IEMELIF's Committee on Relations, Examination and Ordination, and in accordance with the Discipline of the Church, approved the expulsion of herein [Juane] as a pastor of the IEMELIF Church for various acts of defiance and rebellion. This expulsion as a pastor permanently took away from [Juane] any and all right or authority to occupy and possess any property of the IEMELIF Church.

8. Still, Defendant Juane ignored said expulsion. To date, his defiance continues. He is occupying the IEMELIF Cathedral premises in Tondo in violation of [IEMELIF]'s right to physically possess the subject property.

9. On 23 May 2002, Plaintiff's Highest Consistory of Elders, through the Secretary, Rev. Honorio F. Rivera and Bishop Nathanael P. Lazaro, sent [Juane] a letter through registered mail, demanding among others, that he vacate and turnover to the Church all Church property in his possession, including the cathedral, pastoral house, the school and the church premises. x x x.

10. Despite receipt of the above-said demand to vacate the IEMELIF Cathedral premises, [Juane] failed and refused, and continues to fail and refuse, to vacate the subject property and continued its unlawful occupation thereof to the exclusion of [IEMELIF].

11. Due to [Juane]'s unwarranted failure and unjust refusal to vacate the

premises, [IEMELIF] is left without recourse but to file legal action to enforce its right to have physical possession of the Cathedral premises and, thus, for such purpose, is constrained to engage the services of undersigned counsel for an agreed engagement fee of P40,000.00 plus P2,000.00 per appearance fee and to incur other expenses incidental to the instant litigation.

12. Likewise, said failure and refusal on the part of [Juane] to vacate the Cathedral premises caused and is causing [IEMELIF] damages for having been deprived of the physical possession of the Cathedral. The fact is that due to such continuing failure and refusal of [Juane] and of those deriving right under him to vacate, [IEMELIF], through its Cathedral Congregation, is forced to rent a space outside the Cathedral premises in order to provide its Tondo congregation a place for worship.^[1]

At the end of its Complaint, IEMELIF prayed for the RTC to:

1. RENDER a decision ordering [Juane] and any and all persons claiming right under him to vacate the Cathedral premises and peacefully turn over possession thereof to [IEMELIF];
2. ORDER [Juane] to pay [IEMELIF] reasonable compensation for the unlawful dispossession of the premises caused by [Juane], commencing on the time of the dispossession of the property until the same is finally vacated and possession thereof peacefully surrendered to [IEMELIF];
3. ORDER [Juane] to pay [IEMELIF] attorney's fees and the costs of suit.

Such other reliefs, just and equitable under the circumstances, are likewise respectfully prayed for.^[2]

G.R. No. 172447 (Motion to Dismiss)

Juane filed a Motion to Dismiss Civil Case No. 173711-CV, contending that the Complaint therein actually involved intra-corporate controversies, which, under Republic Act No. 8799, otherwise known as the Securities Regulation Code, fell within the jurisdiction of the Regional Trial Court (RTC), not the MeTC.

In an Order dated 27 February 2003, the MeTC denied Juane's Motion to Dismiss. It held that the case did not involve the issue of removal of a corporate officer, but rather the right to possess the IEMELIF Cathedral in Tondo (subject property). Juane filed a Motion for Reconsideration of the Order dated 21 March 2003, but the same was denied by the MeTC in another Order dated 5 May 2003.

Juane filed a Petition for *Certiorari* and Prohibition with Preliminary Injunction and/or Temporary Restraining Order, docketed as Civil Case No. 03-107439, before the RTC of Manila, Branch 30. On 14 November 2003, the RTC rendered its Decision dismissing Juane's Petition. The RTC pointed out that the primary and ultimate purpose of IEMELIF in filing the Complaint in Civil Case No. 173711-CV was to seek

recovery of physical possession over the subject property, a matter within the jurisdiction of the MeTC.

Juane's appeal to the Court of Appeals was docketed as CA-G.R. SP No. 85543. In a Decision dated 10 April 2006, the Special Sixth Division of the Court of Appeals granted Juane's appeal and set aside the RTC Decision dated 14 November 2003. According to the Court of Appeals, the most contentious issues raised in the Complaint of IEMELIF in Civil Case No. 173711-CV were Juane's removal from office and reassignment, which were within the realm of intra-corporate controversies and the exclusive jurisdiction of the RTC. Juane's purported loss of the right to possess the subject property was merely incidental to his removal from office and reassignment by IEMELIF, and could not be the subject of an action for unlawful detainer under Rule 70 of the Rules of Court.

IEMELIF, thus, filed the present Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, docketed as G.R. No. 172447. IEMELIF argues that the intra-corporate dispute alleged by Juane is a completely extraneous matter that was never alleged or prayed for in the Complaint. IEMELIF points out that the right to physically occupy the premises is derived from Juane's appointment as a church worker assigned to the Cathedral, and not from his being a member of the corporation.

The Court has determined that the fundamental issue for its resolution in this Petition is whether the Complaint filed by IEMELIF against Juane constitutes an intra-corporate dispute beyond the jurisdiction of the MeTC.

The Court rules in the negative.

In *Magay v. Estiandan*,^[3] the Court held that:

[J]urisdiction over the subject matter is determined by the **allegations of the complaint**, irrespective of whether or not the Plaintiff is entitled to recover upon all or some of the claims asserted therein - a matter that can be resolved only after and as a result of the trial. **Nor may the jurisdiction of the court be made to depend upon the defenses set up in the answer or upon the motion to dismiss**, for, were we to be governed by such rule, the question of jurisdiction could depend almost entirely upon the defendant x x x. (Emphases ours.)

The Court reiterated in *Abrin v. Campos*^[4] that:

Well-settled is the rule that what determines the nature of the action, as well as the Court which has jurisdiction over the case, is the **allegation made by the Plaintiff in his complaint** (*Ching v. Malaya*, 153 SCRA 412; *Ganadin v. Ramos*, 99 SCRA 613; *Republic v. Sebastian*, 72 SCRA 227; *Magay v. Estandian*, 69 SCRA 456; *Time, Inc. v. Reyes*, 39 SCRA 303). To resolve the issue of jurisdiction, the Court must interpret and apply the law on jurisdiction vis-a-vis the averments of the complaint (*Malayan Integrated Industries Corporation v. Judge Mendoza*, 154 SCRA