

FIRST DIVISION

[G. R. No. 119900, August 16, 2001]

SUNNY MOTORS SALES, INC., PETITIONER, VS. HONORABLE COURT OF APPEALS, HONORABLE JUDGE OSCAR L. LEVISTE, AS THE PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, BRANCH 97, QUEZON CITY, AND MS. LOLITA L. SANTIAGO, RESPONDENTS.

DECISION

PARDO, J.:

The case before the Court is an appeal *via certiorari* seeking to set aside the decision of the Court of Appeals^[1] affirming that of the Regional Trial Court, Quezon City, Branch 97, denying petitioner's motion to dismiss the complaint for damages on the ground of lack of jurisdiction.

On September 9, 1994, respondent Lolita L. Santiago leased^[2] from Ludivina L. Genito a portion of a 4,398 sq. m. property, situated at Commonwealth Ave., Diliman, Quezon City, which she used as warehouse for scrap metals. The parties stipulated that the lease was for a period of two (2) years, commencing on September 9, 1994, up to September 8, 1996, for a monthly rent of P10,000.00, with the obligation to pay, as in fact, lessee paid advance rent equivalent to one (1) year, or P120,000.00, at the inception of the lease. The lessor expressly warranted lessee's peaceful possession of the leased premises.

Immediately, respondent Santiago entered into possession of the leased premises described as "left side area, driveway of said property (up to the cemented area with roof)" and stored thereat hundreds of tons of scrap metal.

On December 16, 1994, barely three (3) months after the lease commenced, petitioner Sunny Motors Sales, Inc., employing guards from Enriquez Security Agency, suddenly entered into possession of the whole 4,398 sq. m. property of Ludivina L. Genito, including the portion leased to respondent Santiago and barred the latter from entering and using the same, thereby effectively dispossessing respondent Santiago of the leased premises without any prior notice.

Petitioner Sunny Motors Sales, Inc., claimed that it was the new owner of the property including that portion leased to respondent Santiago having bought the same from Ludivina L. Genito and/or Balm Construction Co., Inc., of which she owned a major interest.

On January 11, 1995, respondent Lolita L. Santiago filed with the Regional Trial Court, Quezon City a complaint^[3] against Ludivina L. Genito and Sunny Motor Sales, Inc., for damages with temporary restraining order and/or preliminary injunction.

On January 17, 1995, respondent Santiago filed an amended complaint.^[4] On the same day, the trial court issued an order^[5] granting a temporary restraining order, and setting the case for hearing on the preliminary injunction.

On January 19, 1995, petitioner Sunny Motors Sales, Inc., filed with the trial court a motion to dismiss^[6] the complaint on the ground of lack of jurisdiction. It explained that the complaint was one for forcible entry that falls within the original exclusive jurisdiction of the Metropolitan Trial Court.

On January 24, 1995, after hearing the motion to dismiss, the trial court denied the motion.^[7]

On January 26, 1995, petitioner Sunny Motors Sales, Inc., filed with the Court of Appeals a petition^[8] for *certiorari* and prohibition questioning the order of the trial court denying petitioner's motion to dismiss respondent Santiago's complaint and in further proceeding with the case despite lack of jurisdiction over the subject matter of the complaint.

On January 31, 1995, the Court of Appeals issued a resolution^[9] granting a temporary restraining order and setting the case for hearing on March 30, 1995.

On April 20, 1995, the Court of Appeals promulgated its decision, the dispositive portion of which provides:

"The court finds, however, that the complaint for preliminary injunction with damages attached to the petition shows clearly that the preliminary writ of injunction is just an ancillary remedy prayed for in the complaint. It appears very clearly that the principal action with the Regional Trial Court filed by the private respondent is one for damages not for forcible entry. Paragraph 10 of the amended complaint is in point. Said paragraph alleges that plaintiff, private respondent herein, still remains in possession of the leased premises. On its face therefore, it appears very clearly that the Regional Trial Court of Quezon City, Branch 97 has jurisdiction over the amended complaint. Private respondent was able to state a cause of action in her amended complaint which is not forcible entry. Said allegations constitute the very foundation of the jurisdiction of the Regional Trial Court which made it issue the temporary restraining order now being assailed. Its denial of the motion to dismiss is also in order.

"WHEREFORE, this Court holds that this petition should be denied due course and consequently DISMISSED OUTRIGHT."^[10]

Hence, this petition.^[11]

At issue is whether the regional trial court has jurisdiction over the complaint for damages with temporary restraining order, and/or preliminary injunction.

Petitioner contends that the amended complaint filed with the regional trial court is

not an action for damages and injunction but one of forcible entry, which is exclusively cognizable by an inferior court. Based on the complaint, respondent Santiago's possession and enjoyment of the premises pursuant to a lease contract has been effectively disrupted by the petitioner.

The petition is impressed with merit.

What determines the nature of an action as well as which court has jurisdiction over it, are the allegations in the complaint and the character of the relief sought.^[12] "Jurisdiction over the subject matter is determined by the allegations in the complaint, irrespective of whether the plaintiff is entitled to recover upon a claim asserted therein - a matter resolved only after and as a result of the trial. Neither can the jurisdiction of the court be made to depend upon the defenses made by the defendant in his answer or motion to dismiss. If such were the rule, the question of jurisdiction would depend almost entirely upon the defendant."^[13]

To resolve the issue, we examine the specific allegations of respondent Santiago in her complaint. The amended complaint contained the following material allegations, viz:

"x x x

"6. On December 16, 1994, barely three months after her lease commenced, defendant Sunny Motors employing guards from Enriquez Security Agency suddenly entered possession of the whole 4,398 sq. m. property of defendant Genito, including the portion thereof leased to plaintiff, and barred the latter from using the same in the same manner as before.

"8. The entry of defendant Sunny Motors into the leased property and consequent disruption in the regular possession and use of plaintiff thereof is a glaring violation of the latter's rights and interests provided under the lease contract.

"9. Plaintiff sustained, and continues to sustain, actual losses in her business on account of her being disrupted in possession and use of the leased premises. As she has no more any place to store her wares following her forcible eviction therefrom. She was forced to temporarily cease hauling metal scraps and let go of her pending contracts and won bids for scraps.

"10. Although plaintiff still remains in possession of the leased premises, her possession and enjoyment thereof pursuant to her lease contract has been effectively disrupted by defendants as heretofore alleged without just and valid cause.

"11. And although she still has a hundred tons of metal scraps valued more or less at P700,000.00 left at the leased premises, the same for delivery to her clients because the trucks with which she would haul the same are likewise being refused entry into the premises.