

SECOND DIVISION

[G.R. No. 117250, September 19, 1996]

**PATRICIA SANDEL, PETITIONER, VS. COURT OF APPEALS AND
ROBERTO Y. MARTINEZ, RESPONDENTS.**

DECISION

TORRES, JR., J.:

This is a petition for Review on Certiorari, filed by one Patricia Sandel (Sandel, for brevity) seeking the reversal of the judgment of the Court of Appeals dated September 22, 1994,^[1] which affirmed the decision of the Regional Trial Court, declaring as null and void, for want of jurisdiction, the August 27, 1991 order of the Metropolitan Trial Court, NCR, Branch 123, Kalookan City, in Civil Case No. 19960, dismissing the petitioner's action for unlawful detainer.

Petitioner Sandel originally filed her complaint^[2] for unlawful detainer in the Metropolitan Trial Court of Kalookan City, Branch 53, presided by the Hon. Judge Romanito A. Amatong, on June 13, 1991, naming as defendant herein private respondent Roberto Y. Martinez (Martinez, for brevity), and praying that the court render judgment:

- "a. Ordering defendant and all other persons claiming rights under him to vacate and peacefully surrender the leased premises to the plaintiff;
- b. Sentencing the defendant to pay to the government the real property tax including penalties due on the building since January 1988 up to March 31, 1991, or to reimburse plaintiff of whatever amount she paid to the government as real property tax due on the building since January 1988 up to March 31, 1991;
- c. Sentencing the defendant to pay the plaintiff the sum of P30,000.00 by way of and as attorney's fees;
- d. Sentencing the defendant to pay the plaintiff the sum of P20,000.00 a month starting April 1991 for the continuous use and occupation of the subject premises until defendant finally surrender and vacate plaintiff's premises; and
- e. The costs of this suit.

Plaintiff further prays for such other reliefs and remedies as the Honorable Court may deem just and equitable under the premises."

The undisputed facts, as appearing on the record, are the following:

On February 27, 1984, petitioner Sandel, as absolute owner, leased for a term of seven (7) years from April, 1984 to private respondent Martinez, a parcel of land, described in the lease agreement as Lot No. 858-B of the Subdivision Plan PSD-20783, situated in Kalookan City and covered by Transfer Certificate of Title No. C-8844.

The pertinent provisions of the lease agreement^[3] are:

"1. Term of the Lease: This Contract of Lease shall be for a period of seven (7) years beginning (April) 1, 1984 up to (March) 31, 1991.

2. Purpose of Lease: The LESSEE will construct in the leased premises a commercial building, according to plans and specifications, blue print copies of which are hereto attached and made an integral part hereof.

3. Securing Building Permit/s and other Licenses: The LESSEE shall secure the building permit/s and licences necessary in the construction of the building.

4. Period to Construct Building: The LESSEE shall complete the construction of the building as mentioned in the attached plans and specifications within four (4) months from the date hereof.

5. Monthly Rentals: The LESSEE for the first six (6) years of the contract shall pay to the Lessor the sum of P4,000.000 and thereafter or on the seventh (7th) year, the sum of P4,500.00, as monthly rentals for the leased premises payable within the first five (5) days of each calendar month, at the office of the Lessor or her authorized agent; Provided, however, that the LESSEE's obligation to pay the rental shall start upon the completion of the building, but if it is not completed within four (4) months hereof as provided in the proceeding paragraph, the monthly rental shall already accrue and shall be paid by the LESSEE.

6. Insurance: xxx

7. Transfer of Ownership: Upon the termination of this lease, the ownership and title of the building shall automatically transfer to and in favor of LESSOR without need for an implementing document therefor.

8. Taxes: Real Estate taxes on the land shall be borne by LESSOR while those on the building shall be paid by the LESSEE.

9. Repairs: xxx

10. Prohibition against Sub-lease: xxx

11. Prohibition against Conveyance and Mortgages: xxx

12. Waiver: xxx"

On June 13, 1991, Sandel filed a complaint for unlawful detainer, seeking to recover possession of the leased premises and the commercial building constructed thereon

by Martinez, docketed as Civil Case No. 19960 in the Metropolitan Trial Court of Kalookan City.

The filing of the complaint was predicated on the occurrence of two events relative to the lease agreement between petitioner and the private respondent, viz., a) the private respondent's failure to pay real estate taxes on the building constructed on the subject property, from January 1988 to March 1991, in violation of the stipulations in the parties' lease agreement, and b) the expiration of the term of the contract of lease and the refusal of the private respondent to vacate the leased premises.

Martinez filed an answer with motion to dismiss, followed later by a separate and amplified motion to dismiss on the basis of the MTC's purported lack of jurisdiction over the subject matter of the complaint.

On August 27, 1991, the MTC of Kalookan City issued its Order denying, for lack of merit, Martinez's motion to dismiss. Martinez filed a motion for reconsideration but the same was likewise denied on January 9, 1992.

Martinez filed a petition for certiorari and prohibition with prayer for temporary restraining order with the Regional Trial Court of Kalookan City, docketed as Civil Case No. C-266. The court gave due course to Martinez's petition and enjoined the Kalookan MTC from proceeding with the hearing of Civil Case No. 19960 until the petition shall have been resolved or until further orders.

On September 3, 1992, the Regional Trial Court rendered its decision[4]granting Martinez' Petition and declaring as null and void the orders of the Kalookan MTC dated August 27, 1991, and January 9, 1992.

Sandel appealed via petition for review to the Court of Appeals. The appellate court rendered its decision on September 22, 1984, denying the appeal and affirming the decision of the Regional Trial Court. The dispositive portion of the decision reads:

"WHEREFORE, and upon all the foregoing considerations, apart from the MODIFICATION that the second order declared null and void, should be that dated January 9, 1992 (instead of January 9, 1991 as therein stated), the decision appealed from is hereby AFFIRMED, with costs in this instance against private respondent-appellant.

SO ORDERED."

Hence, this petition.

Petitioner assigns the following errors allegedly committed by the appellate court:

I

THAT RESPONDENT COURT ERRED IN UPHOLDING THE REGIONAL TRIAL COURT'S RULING THAT THE METROPOLITAN TRIAL COURT DOES NOT HAVE JURISDICTION ON THE EJECTMENT CASE BECAUSE THERE IS A NEED TO DETERMINE THE VALIDITY OF PARAGRAPH 7 OF THE

CONTRACT OF LEASE.

II

THAT THE RESPONDENT COURT ERRED IN UPHOLDING THE REGIONAL TRIAL COURT IN GRANTING THE WRITS OF CERTIORARI AND PROHIBITION AGAINST THE METROPOLITAN TRIAL COURT.^[5]

Private respondent questions the jurisdiction of the Metropolitan Trial Court to try the case, since the subject matter of the action filed is incapable of pecuniary estimation and, therefore, within the Regional Trial Court's original jurisdiction under Batas Pambansa Blg. 129. Thus, it is necessary to determine the ownership of the premises sought to be recovered, and to arrive at this, resort must be made to the determination of the validity of the stipulations in the lease agreement, a function which is allegedly beyond the Metropolitan Trial Court's jurisdiction.

Private respondent asserts in his comment^[6] that Petitioner "alleged matters that are incapable of pecuniary estimation, thereby placing the jurisdiction of the MTC at issue," particularly:

"7.1. Under paragraph 2 thereof, she is the absolute and registered owner of the two (2) parcels of land under leased (sic) to PRIVATE RESPONDENT situated in A. Mabini St., Kalookan City, Metro Manila and covered by TCT No. T-134746 and T-134747 when in the Lease Contract itself what was reflected was TCT No. C-8844 which is a parcel of land designated as Lot 858-B.

7.2. Under paragraph 4, the Contract of Lease was executed pending formal exchange of Lot 858-A and presently covered by TCT No. 134743 with Lot 858-B-1 in possession of adjoining owner Pedro Sandel, which circumstance had not been described or indicated in the contract of lease.

7.3. Under paragraph 7, the PETITIONER upon termination of the contract shall become the automatic owner of the building without need of any implementing order, the validity of which provision is presently being assailed as contrary to law.

7.4 Under paragraph 8, the real estate taxes on the building shall be borne by the PRIVATE RESPONDENT, which only ratifies his ownership on the said building and whose efficacy is likewise being raised upon for the Metropolitan Trial Court's determination."

From these aforesaid matters, private respondent posits his observation:

"that there are basic matters which the court has to consider like questions involving ownership, determination of the validity of certain provisions in the contract of lease (Annex "H"), the agreements as stated (sic) in the execution of the Deed of Exchange (Annex "I") all of which are crucial for the determination of the parties' respective claims. Allegedly, these matters which the Metropolitan Trial Court certainly could not intrude into or exercise competent jurisdiction for they are issues incapable of pecuniary estimation as laid down by the Honorable