



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated 28 April 2021 which reads as follows:

“G.R. No. 209058 (*Felisa Payac-Abrea and Andrea Payac-Pil v. Leonila M. Balili*).

On August 29, 2007, Leonila M. Balili (Leonila) filed an action for quieting of title against Felisa Payac-Abrea (Felisa) and Andrea Payac-Pil (Andrea) before the Municipal Circuit Trial Court (MCTC) of Sogod-Libagon-Bontoc, Southern Leyte. Leonila alleged that her father, Eduardo Modina (Eduardo), was the original owner of Lot No. 7138. The property was later subdivided into three parcels. Eduardo sold parcels one and two to Felisa and Andrea’s predecessor, Sabino Payac (Sabino). On the other hand, Eduardo retained ownership and possession of parcel three. However, Felisa and Andrea claimed that Lot No. 7138 was not subdivided into three parcels, and that Eduardo sold the entire property to Sabino. As affirmative defense, Felisa and Andrea argued that the MCTC lacks jurisdiction over the case because Lot No. 7138 has a total assessed value of ₱32,300.00.¹

On February 25, 2010, the MCTC dismissed the case without prejudice on the ground of lack of jurisdiction. The MCTC ruled that Lot No. 7138 has an assessed value of ₱32,300.00, which is beyond its jurisdictional amount of ₱20,000.00 over real actions.² Aggrieved, Leonila moved for reconsideration and contended that she is only claiming parcel three which has an assessed value of ₱2,020.00.³ On April 12, 2010, the MCTC granted Leonila’s motion, and reinstated the case. The MCTC explained that “*what determines the nature of action as well as the Court which has jurisdiction over the case is the allegation made by the plaintiff in his Complaint x x x. The defense asserted in the answer or motion to dismiss cannot be made x x x as such question could depend entirely upon*

¹ *Rollo*, pp. 60-67.

² *Id.* at 132-135.

³ *Id.* at 137-138.

*the defendant x x x.*⁴

Dissatisfied, Felisa and Andrea filed a Petition for *Certiorari*⁵ before the Regional Trial Court (RTC) and reiterated that the assessed value should be based on the entire Lot No. 7138. On May 9, 2011, the RTC granted the petition and ruled that the MCTC should have dismissed the case with prejudice for want of jurisdiction.⁶ Undaunted, Leonila elevated the case to the Court of Appeals (CA), docketed as CA-G.R. CEB SP. No. 06241. On August 17, 2012, the CA set aside the RTC's findings, and held that the allegations in the complaint determined jurisdiction, thus:⁷

A careful review of the records of the case reveals that the litigated portion of the land subject of the action for quieting of title is parcel three only of Lot 7138, which has an area of 13,194 square meters. This was clarified by the appellant in her motion for reconsideration before the MCTC. Thus, the land in litigation is not the entire Lot 7138 but only a part thereof. x x x The MCTC was therefore correct when it set aside its earlier Order and reinstated the case

It is basic that jurisdiction over the subject matter must exist at the beginning of the action. Thus, the existence of jurisdiction over the subject matter must be determined on the basis of the complaint, for it is the complaint that commences the action. If by the averments of the complaint, the court has jurisdiction, it does not lose that jurisdiction just because the defendant makes a contrary allegation in his motion or answer or because the court believes that the plaintiff's claims are ridiculous and therefore untrue. If by the averments of the complaint, it has jurisdiction, then it has jurisdiction, as in this case.⁸

x x x x

WHEREFORE, premises considered, this appeal is **GRANTED**. The assailed May 9, 2011 Decision and August 1, 2011 Resolution of the Regional Trial Court, Branch 39 of Sogod, Southern Leyte are hereby **REVERSED and SET ASIDE**. The Decision of the 3rd Municipal Circuit Trial Court of Sogod-Libagon-Bontoc, Southern Leyte is **REINSTATED**. Costs on appellees.

SO ORDERED.⁹ (Emphases in the original; citations omitted.)

Unsuccessful at a reconsideration,¹⁰ Felisa and Andrea filed this petition insisting that the MCTC has no jurisdiction over the case.¹¹

⁴ *Id.* at 92-93.

⁵ *Id.* at 82-91.

⁶ *Id.* at 31-37.

⁷ *Id.* at 21-30; penned by Associate Justice Ramon Paul L. Hernando (now a member of this Court), with the concurrence of Associate Justices Carmelita Salandanan-Manahan and Zenaida T. Galapate-Laguilles.

⁸ *Id.* at 26.

⁹ *Id.* at 29.

¹⁰ *Id.* at 39-40.

¹¹ *Id.* at 4-18.

RULING

An action for quieting of title is a real action on which jurisdiction depends on the assessed value of the property.¹² Under Section 33 of *Batas Pambansa Blg. 129*,¹³ as amended by Republic Act No. 7691,¹⁴ the MCTC has exclusive jurisdiction over real actions filed outside Metro Manila involving real properties where the assessed value does not exceed ₱20,000.00, to wit:

SEC. 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 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.

Relatively, the MCTC should only look into the facts alleged in the complaint to determine whether a suit is within its jurisdiction.¹⁵ Here, Leonila alleged in her complaint that she only claims ownership over parcel three of Lot No. 7138. This portion allegedly has an assessed value of ₱2,020.00 which is well within the MCTC's jurisdiction, thus:

3. That plaintiff [Leonila] is one of the children of the late Eduardo Modina who was then the owner of contiguous parcels of land designated as Cad[.] Lot No. 7138 located at Brgy. Hitawos (then Banahao), Bontoc, Southern Leyte covered by the following tax declarations before the cadastral survey to wit:

X X X X

PARCEL THREE

A parcel of land suitable for cultivation declared for tax purposes under TD No. 7779 in the name of Eduardo Modina having an area of 15,000 sq. meters bounded on the North by Alejandro Alinsub, on the

¹² *Bank of Commerce v. Spouses San Pablo, Jr.*, 550 Phil. 805, 818 (2007).

¹³ AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES; approved on August 14, 1981.

¹⁴ 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;" approved on March 25, 1994.

¹⁵ *Foronda-Crystal v. Son*, 821 Phil. 1033, 1044 (2017).

East by Caridad Tibon, on the South Ariston Ruales and on the West by Rustico Somodlayon and Petre Datur[.]

x x x x

5. That on October 22, 1965 Eduardo Modina sold parcels one and two above which are the northwestern most parts of the land as separated from the eastern most portion by a cliff to Clementa Doquilla so that **parcel three** which is the lower part or portion of the land designated during the cadastral survey as Lot 7138 and described in the commissioner's report of Engr. Wifredo Altejar as the blue colored portion to be Lot 7138-B which still remained his property until eventually sold to plaintiff on January 11, 2006. Copies of the Deed of Absolute Sale of Two Parcels of Real Estate and the Deed of Absolute Sale covering parcel three above are hereto attached as Annex "D" and "E" and made integral parts of this pleading;
6. That after the said sale the late Eduardo [Modina] then went to Baybay, Leyte and upon his return in Barangay Hilaan, Bontoc, Southern Leyte he was surprised to know that by stealth, strategy or mistake Sabino Payac had directed some workers in the gathering of the coconuts in **parcel three**;

x x x x

12. That **the land in litigation is currently declared for tax purposes under ARP No. 05-02003-00097 and is assessed at ₱2,020.00**, a copy of which is hereto attached as Annex "K" and made an integral part of this pleading;¹⁶ (Emphases supplied.)

As the CA and MCTC aptly ruled, the truth or falsity of these allegations can only be determined after a full blown trial where the parties are given the chance to present their respective evidence. Moreover, the pleas or theories set up by the defendants in their answer or motion to dismiss do not affect the Court's jurisdiction. Corollarily, the assessed value that Felisa and Andrea alleged in their answer is irrelevant on whether MCTC has jurisdiction over the action for quieting of title. In *Morta, Sr. v. Occidental*:¹⁷

It is axiomatic that 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. "Jurisdiction over the subject matter is determined upon the allegations made 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.** x x x."¹⁸ (Emphasis supplied; citations omitted.)

¹⁶ *Rollo*, pp. 95-98.

¹⁷ 367 Phil. 438 (1999).

¹⁸ *Id.* at 445.

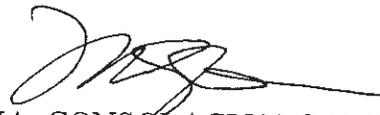
FOR THESE REASONS, the petition is **DENIED**. The Court of Appeals' Decision dated August 17, 2012 and the Resolution dated August 14, 2013 in CA-G.R. CEB SP. No. 06241 are **AFFIRMED**.

SO ORDERED." (J. Lopez, J., *designated additional Member per Special Order No. 2822 dated April 7, 2021.*)

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

By:



MA. CONSOLACION GAMINDE-CRUZADA
Deputy Division Clerk of Court

22 JUN 2021

6/22

RANCES LAW OFFICE (reg)
Counsel for Petitioners
Bato, 6525 Leyte

ATTY. JOEL QUISADO
Counsel for Respondent
(deceased)

LEONILA M. BALILI (reg)
Respondent
Brgy. Hilaan, Bontoc
Southern Leyte

HON. PRESIDING JUDGE (reg)
Regional Trial Court, Branch 39
Sogod, 6606 Southern Leyte
(SP Civil Action No. R-312-C)

HON. PRESIDING JUDGE (reg)
3rd Municipal Circuit Trial Court
Sogod-Libangon-Bontoc
Sogod, Southern Leyte
(Civil Case No. R-425)

JUDGMENT DIVISION (x)
Supreme Court, Manila

PUBLIC INFORMATION OFFICE (x)
LIBRARY SERVICES (x)
[For uploading pursuant to A.M. No. 12-7-SC]

OFFICE OF THE CHIEF ATTORNEY (x)
OFFICE OF THE REPORTER (x)
PHILIPPINE JUDICIAL ACADEMY (x)
Supreme Court, Manila

COURT OF APPEALS (reg)
Visayas Station
Cebu City
CA-G.R. SP No. 06241

Please notify the Court of any change in your address.
GR209058. 4/28/2021(195)URES