



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

**SPOUSES HERMINIO E. ERORITA and
 EDITHA C. ERORITA,**

Petitioners,

G.R. No. 195477

Present:

- versus -

CARPIO, *J.*, Chairperson,
 BRION,
 DEL CASTILLO,
 MENDOZA, and
 LEONEN, *JJ.*

**SPOUSES LIGAYA Dumlao and
 ANTONIO Dumlao,**

Respondents.

Promulgated:

25 JAN 2016

x-----*Amelita Tolentino*-----x

DECISION

BRION, J.:

We resolve the petition for review on *certiorari* filed by petitioners to challenge the July 28, 2010 decision¹ and January 4, 2011 resolution of the Court of Appeals (CA) in CA-GR CV No. 92770. The CA affirmed the Regional Trial Court's (RTC) decision ordering the petitioners to vacate the property.

THE ANTECEDENTS

Spouses Antonio and Ligaya Dumlao (*Spouses Dumlao*) are the registered owners of a parcel of land located at Barangay San Mariano, Roxas, Oriental Mindoro, and covered by TCT No. T-53000. The San Mariano Academy structures are built on the property.

¹ Penned by Associate Justice Normandie B. Pizarro and concurred in by Associate Justices Amelita G. Tolentino and Ruben C. Ayson; *rollo*, pp. 37-48.

AM

The Spouses Dumlao bought the property in an extrajudicial foreclosure sale on April 25, 1990. Because the former owners, Spouses Herminio and Editha Erorita (*Spouses Erorita*), failed to redeem it, the title was consolidated in the buyers' name.

The Spouses Dumlao agreed to allow the petitioners to continue to operate the school on the property. The Spouses Erorita appointed *Hernan* and *Susan* Erorita as the San Mariano Academy's administrators.

The Spouses Dumlao alleged that the Eroritas agreed on a monthly rent of Twenty Thousand Pesos (₱20,000.00), but had failed to pay rentals since 1990. The Spouses Erorita countered that the Dumlaos allowed them to continue to run the school without rental out of goodwill and friendship.

On December 16, 2002, the Spouses Dumlao asked the petitioners to vacate the property. Although the Spouses Erorita wanted to comply, they could not immediately close the school without clearance from the Department of Education, Culture, and Sports to whom they are accountable.

On March 4, 2004, the Spouses Dumlao filed a **complaint for recovery of possession** before the Regional Trial Court (RTC) against the defendants Hernan, Susan, and the Spouses Erorita.²

In their joint answer, the defendants prayed that the complaint be dismissed because they cannot be forced to vacate and to pay the rentals under their factual circumstances.

After the issues were joined, the case was set for pre-trial. However, the defendants–Eroritas failed to appear despite notice. Thus, the RTC declared them in default and ordered the Spouses Dumlao to present evidence *ex parte*.

On June 4, 2007, the RTC decided in the Spouses Dumlao's favor. It ordered the defendants (1) to immediately vacate the property and turn it over to the Spouses Dumlao, and (2) to pay accumulated rentals, damages, and attorney's fees. The RTC also prohibited the defendants from accepting enrollees to the San Mariano Academy.

The defendants Erorita appealed to the CA arguing that the complaint patently shows a case for unlawful detainer. Thus, the RTC had no jurisdiction over the subject matter of the case.

THE CA RULING

On appeal, the CA affirmed the RTC's decision.

² Civil Case No. C-492. *Rollo*, pp. 196-202.

The CA ruled that the applicable law on jurisdiction when the complaint was filed, was Republic Act No. 7691³ (RA 7691). This law provides that in civil actions involving a real property's title or possession, jurisdiction depends on the property's assessed value and location – if the assessed value exceeds fifty thousand pesos (₱50,000.00) in Metro Manila, and twenty thousand pesos (₱20,000.00) outside of Metro Manila, the RTC has jurisdiction. If the assessed value does not exceed these amounts, then, the Municipal Trial Court (*MTC*) has jurisdiction.

Because the tax declaration showed that the assessed value of the property and its improvements exceeded ₱20,000.00, the CA concluded that the RTC had jurisdiction.

Citing *Barbosa v. Hernandez*,⁴ the CA held that this case involves an action for possession of real property and not unlawful detainer.

The CA denied the petitioners' motion for reconsideration; hence, this petition.

THE PARTIES' ARGUMENTS

In their petition, the Spouses Erorita essentially argue that: (a) the RTC had no jurisdiction because the allegations in the complaint show a case for unlawful detainer; and (b) Hernan and Susan were improperly impleaded as parties to this case.

In their comment, the respondents argue that: (a) the RTC had jurisdiction because this case involves issues other than physical possession; (b) even assuming the RTC initially had no jurisdiction, the petitioners' active participation during the proceedings bar them from attacking jurisdiction; (c) Hernan and Susan are real parties in interest as the lease contract's primary beneficiaries; and (d) this last issue cannot be raised for the first time on appeal.

ISSUES

Based on the parties' positions, the issues for our resolution are:

- I. Whether the RTC had jurisdiction; and
- II. Whether Hernan and Susan were improperly impleaded.

OUR RULING

The petition is **partly meritorious**.

³ 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 [BP 129], Otherwise Known as the "Judiciary Reorganization Act of 1980, March 25, 1994.

⁴ G.R. No. 133564, July 10, 2007, 527 SCRA 99.

We hold that: (1) the MTC had jurisdiction; and (2) the second issue was not raised before the lower courts; thus, it cannot be considered in the present case.

Jurisdiction is based on the allegations in the complaint.

On the first issue, the allegations in the complaint determine the nature of an action and jurisdiction over the case.⁵ Jurisdiction does not depend on the complaint's caption.⁶ Nor is jurisdiction changed by the defenses in the answer; otherwise, the defendant may easily delay a case by raising other issues, then, claim lack of jurisdiction.⁷

To make a case for unlawful detainer, the complaint must allege that: (a) initially, the defendant lawfully possessed the property, either **by contract or by plaintiff's tolerance**; (b) the plaintiff notified the defendant that his right of possession is **terminated**; (c) the defendant **remained in possession** and deprived plaintiff of its enjoyment; and (d) the plaintiff filed a complaint **within one year from the last demand** on defendant to vacate the property.⁸ A complaint for *accion publiciana* or recovery of possession of real property will not be considered as an action for unlawful detainer if any of these special jurisdictional facts is omitted.⁹

A review of the complaint shows that: (a) the owners, Spouses Dumlao, agreed to allow the petitioners to continue operating the school on the disputed property; (b) in a demand letter dated February 12, 2004, the Spouses Dumlao told the petitioners to pay and/or vacate the property; (c) the respondents refused to vacate the property; and (d) the Spouses Dumlao filed the complaint (March 4, 2004) within a year from the last demand to vacate (February 12, 2004).

Thus, although the complaint bears the caption "recovery of possession," its allegations contain the jurisdictional facts for an unlawful detainer case. Under RA 7691, an action for unlawful detainer is within the MTC's exclusive jurisdiction regardless of the property's assessed value.¹⁰

The CA incorrectly applied our ruling in *Barbosa*. In that case, the complaint did not state that (i) possession was unlawfully withheld and (ii) the complaint was filed within a year from the last demand. Because these special jurisdictional facts for an unlawful detainer case were lacking, we

⁵ *Spouses Flores-Cruz v. Spouses Goli-Cruz*, G.R. No. 172217, September 18, 2009, 600 SCRA 545.

⁶ *Hilario v. Heirs of Salvador*, G.R. No. 160384, April 29, 2005, 457 SCRA 815.

⁷ *Spouses Cruz v. Spouses Torres*, G.R. No. 121939, October 4, 1999, 316 SCRA 193; *Larano v. Calendacion*, G.R. No. 158231, June 19, 2007, 525 SCRA 57.

⁸ *Corpuz v. Spouses Agustin*, G.R. No. 183822, January 18, 2012, 663 SCRA 350 citing *Canlas v. Tubil*, G.R. No. 184285, September 25, 2009, 601 SCRA 147.

⁹ *Penta Pacific Realty Corporation v. Ley Construction and Development Corporation*, G.R. No. 161589, November 24, 2014.

¹⁰ Section 33(2) of BP 129 in relation to Section 19(2) of BP 129, as amended by RA 7691, *supra* note 3; *Penta Pacific Realty Corporation, id.* at 7.

held that the case should be *accion publiciana* over which the RTC has jurisdiction.

In the present case, however, the complaint clearly contained the elements of an unlawful detainer case. Thus, the case should have been filed with the MTC. The RTC had no jurisdiction over this case.

Since a decision rendered by a court without jurisdiction is void,¹¹ the RTC's decision is void.

Jurisdiction over the subject matter may be raised at any time.

With the jurisdictional issue resolved, we now examine whether the petitioners timely raised this issue.

As a general rule, lack of jurisdiction over the subject matter may be raised at any time, or even for the first time on appeal.¹² An exception to this rule is the principle of estoppel by laches.¹³

Estoppel by laches may only be invoked to bar the defense of lack of jurisdiction if the factual milieu is analogous to *Tijam v. Sibonghanoy*.¹⁴ In that case, lack of jurisdiction was raised for the first time after almost fifteen (15) years after the questioned ruling had been rendered and after the movant actively participated in several stages of the proceedings. It was only invoked, too, after the CA rendered a decision adverse to the movant.

In *Figueroa v. People*,¹⁵ we ruled that the failure to assail jurisdiction during trial is not sufficient for estoppel by laches to apply. When lack of jurisdiction is raised before the appellate court, no considerable length of time had elapsed for laches to apply.¹⁶ Laches refers to the "negligence or omission to assert a right within a reasonable length of time, warranting a presumption that the party entitled to assert it either has abandoned it or declined to assert it."¹⁷

The factual setting of this present case is not similar to *Tijam* so as to trigger the application of the estoppel by laches doctrine. As in *Figueroa*, the present petitioners assailed the RTC's jurisdiction in their appeal before the CA. Asserting lack of jurisdiction on appeal before the CA does not constitute laches. Furthermore, the filing of an answer and the failure to

¹¹ *Spouses Flores-Cruz v. Spouses Goli-Cruz*, *supra* note 5.

¹² *Lopez v. David*, G.R. No. 152145, March 30, 2004, 426 SCRA 535.

¹³ *Boston Equity Resources, Inc. v. Court of Appeals*, G.R. No. 173946, June 19, 2013, 699 SCRA 16 *citing* REGALADO, REMEDIAL LAW COMPENDIUM I 187 (10th edition).

¹⁴ 131 Phil. 556 (1968).

¹⁵ *Figueroa v. People*, G.R. No. 147406, July 14, 2008, 558 SCRA 63, 75.

¹⁶ *Id.*

¹⁷ *Cosco Philippines Shipping, Inc. v. Kemper Insurance Company*, G.R. No. 179488, April 23, 2012, 670 SCRA 343 *citing* *Regalado v. Go*, G.R. No. 167988, February 6, 2007, 514 SCRA 616-617.

attend the pre-trial do not constitute the active participation in judicial proceedings contemplated in *Tijam*.

Thus, the general rule should apply. The petitioners timely questioned the RTC's jurisdiction.

***Issue not raised before
the lower court***

On the second issue, it is settled that issues that have not been raised before the lower courts cannot be raised for the first time on appeal.¹⁸ Basic consideration of due process dictates this rule.¹⁹


We note that the second issue raised by the petitioners were not raised before the lower courts. The petitioners only raised this issue in their petition before this Court. Thus, we need not discuss this issue at our level.


WHEREFORE, we hereby **GRANT** the petition. The July 28, 2010 decision and January 4, 2011 resolution of the Court of Appeals in CA-GR CV No. 92770 are hereby **REVERSED** and **SET ASIDE**. Accordingly, we **DECLARE** the June 4, 2007 decision of the RTC in Civil Case No. C-492 void for lack of jurisdiction.

SO ORDERED.

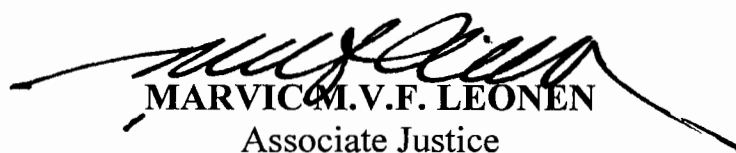

ARTURO D. BRION
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


MARIANO C. DEL CASTILLO
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice

¹⁸ *Vda. De Gualberto v. Go*, G.R. No. 139843, July 21, 2005, 463 SCRA 671-672.
¹⁹ *Esteban v. Marcelo*, G.R. No. 197725, July 31, 2013, 703 SCRA 82, 92.

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**ANTONIO T. CARPIO**

Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**

Chief Justice