

Title:

Radio Communications of the Philippines, Inc. vs. Court of Appeals and Manuel Dulawon

Facts:

The case originated from a complaint filed by Manuel Dulawon with the Regional Trial Court (RTC) of Tabuk, Kalinga, Branch 25, on June 18, 1997, alleging breach of a contract of lease with damages against Radio Communications of the Philippines, Inc. (RCPI). Dulawon's complaint revolved around the non-payment of lease rentals by RCPI for the months of January to March 1997, as per their lease agreement. The lease was for a period from January 1, 1996, to January 1, 1998, with stipulated monthly rentals for 1997 and 1998. RCPI challenged the RTC's jurisdiction, arguing that the Municipal Trial Court should preside over the case due to the monetary amount involved (P84,000.00) not exceeding the RTC's jurisdictional limit of P100,000.00. The RTC denied RCPI's motion to dismiss and their subsequent motion for reconsideration.

RCPI escalated the matter to the Court of Appeals via a petition for certiorari, which was dismissed on April 30, 1998, and a motion for reconsideration was also declined on October 15, 1998. RCPI then filed a petition for review with the Supreme Court, contending the issue of whether the RTC has jurisdiction over Dulawon's complaint.

Issues:

The Supreme Court examined whether the RTC of Tabuk, Kalinga, Branch 25, appropriately held jurisdiction over Manuel Dulawon's complaint for breach of contract of lease with damages against RCPI.

Court's Decision:

The Supreme Court denied RCPI's petition and affirmed the decision of the Court of Appeals, holding that the RTC correctly assumed jurisdiction over the case. The Court's analysis hinged on the nature of Dulawon's complaint, which, aside from seeking rental payments, primarily sought enforcement of the lease agreement—a relief classified as specific performance, which is inherently incapable of pecuniary estimation. Hence, according to Batas Pambansa Blg. 129 as amended by Republic Act No. 7691, and pertinent jurisprudence, jurisdiction fell exclusively to the RTC. The amount of unpaid rentals and damages sought was deemed incidental to the main action for specific performance rather than the crux of the case, rendering the monetary jurisdictional threshold irrelevant in this context.

Doctrine:

This case reiterates the doctrine that actions for specific performance are incapable of pecuniary estimation and, therefore, fall under the exclusive original jurisdiction of Regional Trial Courts, regardless of the amount of any incidental claim for damages or unpaid rentals.

Class Notes:

- **Jurisdictional Amount for RTC:** Cases where the claim for damages is merely incidental to or a consequence of the main cause of action are not to be included in determining jurisdictional amounts. The nature of the action—specific performance, in this instance—defines the jurisdictional context, not the pecuniary claims involved.
- **Specific Performance:** An action for specific performance aims to enforce compliance with a contract or agreement, with any monetary award being secondary to this primary aim.
- **Batas Pambansa Blg. 129 as amended by Republic Act No. 7691:** Establishes the jurisdiction of courts in civil cases; particularly, Regional Trial Courts have exclusive original jurisdiction over actions incapable of pecuniary estimation.

Historical Background:

This case underscores the procedural and jurisdictional complexities involved in legal actions related to contracts in the Philippines. It exemplifies how courts ascertain their jurisdiction, especially in cases involving contracts and demands for damages, based on the nature of the principal action sought rather than the monetary value associated with the claims. It sheds light on the legislative intent behind the jurisdictional parameters set forth in Batas Pambansa Blg. 129 as amended by Republic Act No. 7691.