

****Title:** Philippine Banking Corporation vs. Hon. Salvador S. Tensuan, et al.**

****Facts:****

Philippine Banking Corporation (petitioner) initiated a lawsuit for the collection of a loan evidenced by two promissory notes against Brinell Metal Works Corporation and Spouses Jose and Nally Ang (respondents) with the Regional Trial Court (RTC) of Makati. A clause in the promissory notes stipulated Manila as the venue for any action arising therefrom. Following the filing of the complaint and the court's granting of a preliminary attachment in favor of the petitioner, the respondents filed a motion to dismiss based on improper venue and lack of jurisdiction over the persons of the defendants. The RTC, agreeing with the respondents' contention regarding venue, dismissed the case. The petitioner's motion for reconsideration, which cited the *Polytrade Corporation vs. Blanco* case to argue that the chosen venue in the contract was merely permissive and not restrictive, was denied by the RTC. This prompted the petitioner to escalate the matter to the Supreme Court through a petition for review on certiorari.

****Issues:****

The key legal question was whether or not the venue stipulated in the promissory notes restricts the filing of any action solely to Manila, thereby rendering the petitioner's choice of Makati as an improper venue.

****Court's Decision:****

The Supreme Court granted the petition, reversing the RTC's orders and reinstating the complaint. The Court differentiated between restrictive and permissive venue stipulations, siding with the *Polytrade* doctrine that unless a contractual venue clause contains specific restrictive wording, it does not eliminate the plaintiff's option under the general venue rules. It held that the promissory notes' venue clause was merely permissive, giving additional forum options without nullifying the general right under Rule 4 of the Revised Rules of Court to select a venue based on the residence of either party.

****Doctrine:****

This case reiterates the doctrine that stipulations regarding venue in a contract, unless containing clear, limiting language, ought not to be construed to restrict legal actions to the specified venue alone, reinforcing the notion that such clauses afford an additional venue rather than limit the parties to that venue exclusively.

****Class Notes:****

- Venue vs. Jurisdiction: Venue concerns the geographical location where a lawsuit can be filed, which is procedural and waivable. Jurisdiction refers to a court's legal authority to decide a case, which is non-waivable and not dependent on the parties' agreement.
- Stipulations on Venue: Contractual provisions choosing a venue for any litigation are valid but are interpreted as allowing additional options unless explicitly stated as exclusive.
- Permissive vs. Restrictive Venue Clauses: Absent explicit language to the contrary, venue clauses are considered permissive, giving parties the liberty to file actions in locations as additionally agreed upon, without relinquishing their right to choose venues as per the general rules.

****Historical Background:****

This decision aligns with the Supreme Court's evolving interpretation towards a more lenient and practical approach to contractual venue stipulations, ensuring access to court proceedings is not unduly restricted by overly technical interpretations of such clauses. It veers away from an earlier, more rigid view that could compel strict adherence to contractual venues, emphasizing instead the convenience and fairness to all parties involved in litigation.