

****Title:**** Elmer F. Gomez vs. Ma. Lita A. Montalban

****Facts:****

This case revolves around a loan agreement where respondent Ma. Lita A. Montalban borrowed P40,000.00 from petitioner Elmer F. Gomez, agreeing to a 15% monthly interest. As security, Montalban issued a post-dated check. However, upon maturity, she failed to settle her obligation, prompting Gomez to demand payment which resulted in a lawsuit after multiple demands were ignored. The case, initially filed at the Regional Trial Court (RTC) of Davao City, was for the recovery of the principal plus accrued interests totaling P238,000.00 and attorney's fees. Montalban was declared in default for failing to answer, leading to a decision in favor of Gomez. Montalban later filed for Relief from Judgment, claiming improper service of summons, and contended the RTC's lack of jurisdiction given the principal amount involved. The RTC, responding to Montalban's contention, set aside its decision citing lack of jurisdiction and recommended the filing of the case in the Municipal Trial Court (MTC). Gomez's motion for reconsideration was denied, hence this petition.

****Issues:****

1. Whether the RTC has jurisdiction over cases where the principal amount is P40,000.00, but the total demand including interests and damages amounts to P238,000.00.
2. The appropriateness of Montalban's filing for relief from judgment within the period for filing a motion for reconsideration or appeal.

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

The Supreme Court granted Gomez's petition, reinstating the RTC's original decision. It clarified that jurisdiction is determined by the total amount claimed in the complaint, inclusive of interests and damages, at the time of filing, which in this case, exceeded the jurisdictional threshold of the MTC, rightly placing it within the jurisdiction of the RTC. On the second issue, the Court ruled that Montalban improperly availed of the relief from judgment, as the decision had not yet become final and executory, there existing other appropriate remedies such as a motion for new trial or appeal.

****Doctrine:****

Jurisdiction over a case is determined based on the allegations in the complaint and the total amount demanded, including principal, interests, damages, and attorney's fees at the time of filing. A Petition for Relief from Judgment is not an appropriate remedy if the judgment has not yet become final and executory, especially if the reason cited for relief pertains to alleged improper service of summons or the claim that the court lacked

jurisdiction over the matter.

****Class Notes:****

- ****Jurisdiction Determination:**** The total amount demanded in the complaint, inclusive of all claims, determines which court has jurisdiction.
- ****Relief from Judgment:**** Only applicable against final and executory judgments and when no other remedy is available or adequate, not as a substitute for a timely motion for reconsideration or appeal.

****Historical Background:****

This case underscores the necessity for litigants to understand the procedural implications of jurisdictional amounts and how claims are structured in lawsuits. It also highlights the procedural misstep of resorting to a petition for relief from judgment without considering other available remedies, reinforcing the doctrine that such petitions are reserved for extraordinary circumstances where no other remedy exists.