

OCHO DE SEPTIEMBRE, INC. (FORMERLY SERVICE EDGE DISTRIBUTION, INC.), JOSEPH DERRICK B. YAMBAO, JEROME ALBERT A. BENGZON, DANIEL C. BRION AND JOSE ANGEL DOMINADOR K. SANTOS, PETI...

Ponente: ELBINIAS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/1201b9a9a745/>

ELBINIAS, J.:

For disposition is a Petition for Certiorari[1] filed under Rule 65 of the Rules of Court. The Petition assails the Order[2] dated February 27, 2012 issued by public respondent Hon. Dinnah C. Aguila-Topacio (“respondent Judge” for brevity) of the Regional Trial Court of Manila, Branch 42 (“respondent court” for brevity) in Civil Case No. 11-126294 for “Declaratory Relief (for Reformation of Instrument)”[3]. The Petition also questions respondent court's Order[4] dated June 20, 2012 which denied petitioners' eventual Motion for Reconsideration.[5]

The pertinent facts are as follows:

Petitioners OCHO DE SEPTIEMBRE, INC., Joseph Derrick B. Yambao, Jerome Albert A. Bengzon, Daniel C. Brion, and Jose Angel Dominador K. Santos (“petitioners” for brevity) filed their “Amended Complaint for Declaratory Relief (for Reformation of Instruments)”[6] (“Amended Complaint” for brevity) against private respondent EQUICOM SAVINGS BANK (“private respondent” for brevity).

Private respondent filed a Motion to Dismiss to petitioners' Amended Complaint.[7]

The rest of the facts are those as stated in respondent court's Order[8] dated February 27, 2012, to wit:

“This resolves the 'Motion to Dismiss' (The Plaintiffs' Amended Complaint) filed by the defendant grounded on the claim that this Court has no jurisdiction over the Amended Complaint for Declaratory Relief (for Reformation of Instrument) as there was a prior breach of the instrument or contract being sought to be reformed; that the Amended Complaint is barred by estoppel as the Trust Receipt Agreement was recognized by plaintiff company in its Petition for Rehabilitation filed in another Court; that the present case was filed in the wrong venue in violation of the exclusive venue clause in the subject contract; and lastly, for forum shopping, in view of the Petition for Rehabilitation instituted in another Court.”[9] (Emphasis supplied)

On February 27, 2012, respondent court issued its first assailed Order[10], which granted private respondent's Motion to Dismiss and which dismissed petitioners' Amended Complaint[11] on ground of improper venue. The dispositive portion of the Order[12] stated:

“WHEREFORE, the foregoing considered, the Court hereby GRANTS the 'Motion to Dismiss' (The Plaintiffs' Amended Complaint) filed by defendant Equicom Savings Bank. Accordingly, let this case be DISMISSED.”[13] (Emphasis was made in the original)

After petitioners' Motion for Reconsideration[14] was denied by respondent court in its other assailed Order[15] dated June 20, 2012, petitioners filed the Petition[16] at bench, praying that “the Order of the Public Respondent

dated June 20, 2012 be REVERSED, and SET ASIDE”[17].

Petitioners raised the following grounds:

I. Public Respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction when she issued the Order dated February 27, 2012 ordering the Complaint for Declaratory (for Reformation of Instrument) be dismissed on the ground of [i]mproper venue.

II. Public Respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction when she issued the Order dated June 20, 2012 denying the Motion for Reconsideration.”[18] (Italics were made in the original)

To begin with, the Petition should be denied, because petitioners were questioning respondent court's appreciation of the parties' evidence and the application of laws. The rule is settled that Certiorari does not lie to question the trial court's appreciation of the evidence of the parties. This was as similarly declared by the Supreme Court in *Malayang Manggagawa ng Stayfast Phils., Inc. vs. National Labor Relations Commission, Stayfast Philippines, Inc./Maria Almeida, G.R. No. 155306, August 28, 2013*, to wit:

“xxx However, it is settled that questions of fact cannot be raised in an original action for certiorari. Only established or admitted facts can be considered. *Romy’s Freight Service v. Castro* explains the rationale of this rule:

The Supreme Court is not a trier of facts, more so in the consideration of the extraordinary writ of certiorari where neither questions of fact nor of law are entertained, but only questions of lack or excess of jurisdiction or grave abuse of discretion. The sole object of the writ is to correct errors of jurisdiction or grave abuse of discretion. The phrase ‘grave abuse of discretion’ has a precise meaning in law, denoting abuse of discretion ‘too patent and gross as to amount to an evasion of a positive duty, or a virtual refusal to perform the duty enjoined or act in contemplation of law, or where the power is exercised in an arbitrary and despotic manner by reason of passion and personal hostility.’ It does not encompass an error of law. Nor does it include a mistake in the appreciation of the contending parties’ respective evidence or the evaluation of their relative weight. (Citations omitted.)’ (Emphasis supplied)

Besides, even if the allegations of the Petition are to be considered, still, contrary to petitioners' arguments in their assigned grounds I. and II., respondent court properly dismissed petitioners' Amended Complaint[19].

In imputing grave abuse of discretion on the part of respondent court, petitioners had argued as follows:

“2. To begin with, the true intention of the Parties in this case was not reflected in the documents or in the Trust Receipts purporting to embody their agreements, by reason of inequitable conduct. There being a meeting of the minds of the parties to a contract of loan.

3. It must be emphasized that in the Petitioners['] Amended Complaint for Reformation of Instrument, it pointed out that the provisions in the purported Trust Receipt Agreement with regard to the exclusivity of venue shall be removed and shall not become part of the reformed instrument. This only shows that the Petitioners did not assent to the said clause. This clause subsequently became the basis of the Public Respondent in dismissing the case below. To reiterate, the terms of the documents or the purported Trust Receipts are fixed by the Private Respondent alone, and the Petitioners['] only option was merely 'to take it, or to leave it.' Thus, the said clause must be [stricken] down as void and unenforceable for being subversive of public policy.

xxx

20. Further, venue in civil cases is not a matter of jurisdiction. It relates only to the place of the suit and not to the jurisdiction of the court. xxx

21. The case of Sweet Lines, Inc. vs. Teves xxx is applicable in the case at bar. Xxx

xxx

22. It is submitted that [the] venue of the case filed before the Public Respondent is properly laid having been filed in the Petitioners['] principal office address. The stipulation in the purported trust receipts with respect to the venue of actions is void for (sic) the [p]etitioners has (sic) no participation in its preparation. In fact, the Petitioners sought the removal of Paragraph 29 of the purported Trust Receipt and shall not become part of the reformed instrument in the court a quo. This clause later became the basis of the Public Respondent in dismissing the case on the ground of improper venu[e].

23. Since a complaint for Declaratory (sic) is a personal action, as it does not involve any issue pertaining to the title or possession of a real property, the same may be filed in the Petitioners['] principal residence.”[20] (Emphasis Supplied)

Defeating petitioners' arguments however, is that petitioners and private respondent agreed in their Trust Receipt Agreement[21] (“TRA” for brevity) that the venue of any legal action or proceeding that may arise in relation to the parties' TRA[22] shall be instituted exclusively in the proper court in Makati City, and not in Manila where petitioners had filed their Amended Complaint[23]. Section 29 of the TRA[24] provides:

“29. The parties hereby agree that any legal action, or proceeding arising out of or relating [to] this Trust Receipt shall be instituted exclusively in the proper court of Makati City, Metro Manila, without prejudice to the right of the Entruster to proceed against Trust Property or any property of the Entrustee in the jurisdiction wherein any of the said properties is located. The Entrustee waives all other venues.”[25] (Emphasis supplied)

Given that petitioners and private respondent had agreed in their TRA[26] on the exclusive venue of any litigation between them, then the provisions under Rule 4 of the Rules of Court on venue of actions does not apply. Section 4 (b), Rule 4 of the Rules of Court states:

“Section 4. When Rule not applicable. - This Rule shall not apply -

xxx

(b) Where the parties have validly agreed in writing before the filing of the action on the exclusive venue thereof.” (Emphasis supplied)

That parties may validly stipulate in writing on the exclusive venue of any litigation between them, as what petitioners and private respondent did, is pursuant to the following pronouncement of the Supreme Court in *Jesunito D. Legaspi, doing business under the name and style of J.D. Legaspi Construction vs. Republic of the Philippines*, represented by Social Security System (SSS), G.R. No. 160653, July 23, 2008:

“As a general rule, venue of personal actions is governed by Section 2, Rule 4 of the Rules of Court, to wit:

Sec. 2. Venue of personal actions. – All other actions may be commenced and tried where the plaintiff or any of the principal plaintiffs resides, or where the defendant or any of the principal defendants resides, or in the case of a non-resident defendant, where he may be found, at the election of the plaintiff.

The parties, however, are not precluded from agreeing in writing on an exclusive venue, as qualified by Section 4 of the same rule. Written stipulations as to venue may be restrictive in the sense that the suit may be filed only in the place agreed upon, or merely permissive in that the parties may file their suit not only in the place agreed upon but also in the places fixed by law. As in any other agreement, what is essential is the ascertainment of the intention of the parties respecting the matter.” (Emphasis supplied)

Petitioners could not also properly argue that the TRA[27] was void as to the stipulation regarding venue of

actions. According to petitioners, the TRA[28] was a contract of adhesion in that petitioners had no participation in the preparation of such TRA[29]. However, even if such TRA was a contract of adhesion, there was no ambiguity in the terms of the parties' TRA[30] so as for the stipulations to be construed against private respondent, who in turn prepared the TRA[31]. The TRA[32] of the parties clearly used the words “shall” and “exclusively”, which made the agreement regarding the venue of filing actions restrictive and exclusive in nature.

That a contract of adhesion like the TRA here, is binding when there is no ambiguity in the stipulations is pursuant to the Supreme Court's declaration in *Pilipino Telephone Corporation vs. Delfino Tecson*, GR No. 156966, May 7, 2004, as follows:

“Indeed, the contract herein involved is a contract of adhesion. But such an agreement is not per se inefficacious. The rule instead is that, should there be ambiguities in a contract of adhesion, such ambiguities are to be construed against the party that prepared it. If, however, the stipulations are not obscure, but are clear and leave no doubt on the intention of the parties, the literal meaning of its stipulations must be held controlling.

A contract of adhesion is just as binding as ordinary contracts. It is true that this Court has, on occasion, struck down such contracts as being assailable when the weaker party is left with no choice by the dominant bargaining party and is thus completely deprived of an opportunity to bargain effectively. Nevertheless, contracts of adhesion are not prohibited even as the courts remain careful in scrutinizing the factual circumstances underlying each case to determine the respective claims of contending parties on their efficacy.” (Emphasis supplied)

No reason was therefore shown to justify any deviation from the following findings of respondent court, which were in accordance with the facts and the law:

“After due consideration of the subject motion, the Court is of the view that the contention of defendant Equicom Savings Bank that venue is improperly laid must be sustained. The clear wording of the venue clause in the Trust Receipt agreement leaves no room for interpretation, xxx

xxx

The above agreement is restrictive and exclusive in nature, as may be culled from the use of the words 'shall' and 'exclusively'. This Court is therefore constrained to grant the defendant's Motion.”[33] (Emphasis supplied)

After careful consideration of all the facts, arguments, and issues appearing on the records, as well as of the pertinent laws and jurisprudence, respondent judge, in issuing the assailed Orders[34], were therefore shown not to have committed grave abuse of discretion, which in turn is meant as such capricious and whimsical exercise of judgment that is equivalent to an excess or lack of jurisdiction.[35]

IN VIEW OF ALL THESE, the Petition for Certiorari is DENIED.

SO ORDERED.

Dicdican, (Chairperson) and Dimagiba,[*] JJ., concur.

[*] Vice J. Paredes per Office Order No. 34-14-RSF

[1] Rollo, pp. 3 - 30

[2] Rollo, pp. 38 – 39

- [3] Rollo, p.38
- [4] Rollo, p. 37
- [5] Rollo, p. 37
- [6] Rollo, p. 38
- [7] Rollo, p. 38
- [8] Rollo, pp. 38 - 39
- [9] Rollo, p. 38
- [10] Rollo, pp. 38-39
- [11] Rollo, p. 38
- [12] Rollo, pp. 38 - 39
- [13] Rollo, p. 38
- [14] Rollo, p. 37
- [15] Rollo, p. 37
- [16] Rollo, pp. 3 - 30
- [17] Rollo, p. 28
- [18] Rollo, pp. 7 - 8
- [19] Rollo, p. 38
- [20] Rollo, pp. 16-28
- [21] Rollo, pp. 47 - 50
- [22] Rollo, pp. 47 - 50
- [23] Rollo, p. 38
- [24] Rollo, pp. 47 - 50
- [25] Rollo, p. 49
- [26] Rollo, pp. 47 - 50
- [27] Rollo, pp. 47 - 50
- [28] Rollo, pp. 47 - 50
- [29] Rollo, pp. 47 - 50
- [30] Rollo, pp. 47 - 50
- [31] Rollo, pp. 47 - 50
- [32] Rollo, pp. 47 - 50
- [33] Rollo, p. 38

[34] Rollo, pp. 37 - 39

[35] First Women's Credit Corporation, et al. v. Glicerio Perez, G.R. No. 169026, June 15, 2006

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.