

ALICIA GO, ET AL., PLAINTIFFS AND APPELLEES, VS. ALBERTO GO, ET AL., DEFENDANTS AND APPELLANTS.*G.R. No. L-7020. June 30, 1954*

Ponente: BAUTISTA ANGELO, J.

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On December 18, 1951, plaintiffs brought an action in the Municipal Court of Manila to recover from defendants the possession of a house situated at 921 Dagupan St., Manila, and the sum of P2,000 as damages and P200.00 as attorney's fees.

Defendants in their answer set up several special defenses and a counterclaim. The counterclaim was divided into three causes-of action as follows: the first is for P2,000 representing the value of certain furniture and equipment belonging to defendants and which are claimed to have been taken away by plaintiffs from the house in litigation; the second is for P1,000 representing expenses incurred by defendants arising from the falsity of the facts alleged in the complaint; and the third is for P500 as attorneys fees arising from the institution of the present action.

The court found for the plaintiffs, after due hearing, ordering defendants to vacate the house in litigation and to pay the costs, but denied the claim for damages both of plaintiffs and defendants on the ground that their amounts are beyond its jurisdiction. The defendants, in due time, perfected their appeal to the Court of First Instance, and after the latter had filed their answer as required by the rules, plaintiffs filed an amended complaint wherein they reiterated their original allegations with some slight modifications. To his amended complaint, defendants filed an amended answer reiterating the counterclaim they had alleged in their original answer which, as previously stated, has been divided into three causes of action involving an aggregate amount of P3,500.

Claiming that the amount involved in the counterclaim is beyond the jurisdiction of the Municipal Court, and, therefore, the Court of First Instance cannot act on it in the exercise of its appellate jurisdiction, plaintiffs filed a motion to dismiss under Rule 8, section 1 (a), of the Rules of Court. This motion was resisted by defendants, but the court, in its order issued on March 30, 1953, overruled the opposition and granted the motion to dismiss. Hence, this appeal.

Appellants, in their brief, present the question for determination in this appeal in the following wise:

"The issue involved in this appeal is purely a question of law: whether or not the counterclaim was within the jurisdiction of the Municipal Court, and, hence, whether or not the Court of First Instance has appellate jurisdiction thereon. We respectfully submit that the legal points involved are of paramount importance, as a definition is sought of the rule which should control, not only in the case at bar, but also in other cases, in the determination of the jurisdictional amount in case there are several causes of action: whether the jurisdiction is determined by the amount of each cause of action, or by the aggregate amount of the several causes of action; and whether in compulsory counterclaims the amount thereof is immaterial in the question of jurisdiction." (Italics supplied).

A case that may throw light on the issue before us is *A. Soriano & Co. vs. Gonzalo M. Jose, et al.*, 86 Phil. 523,

decided on May 30, 1950, where various employees brought a joint complaint against their employer in the municipal court to collect a month salary each in lieu of 30 days' notice. The question there decided was whether the jurisdiction of the municipal court is governed by the amount of each claim or by the aggregate sum of all the claims when there are several plaintiffs suing jointly but have independent causes of action. In that case, we held that "where several claimants have separate and distinct demands against a defendant or defendants, which may be properly joined in a single suit, the claims cannot be added together to make up the required jurisdictional amount; each separate claim furnishes the jurisdictional test." The purpose of the rule permitting the joining of parties is to save unnecessary work, trouble, and expense, consistent with the liberal spirit of the new rules. This ruling, no doubt, applies with equal force to a counter claim in view of the similarity of rules applicable to both complaint and counterclaim.

The question that now rises is: Can this ruling be applied when there is only one plaintiff or one defendant, or several plaintiffs or defendants but with a common claim, divided into several causes of action involving transactions different one from the other? Stated in another way, does this ruling apply to a counterclaim set up by several defendants which have a common claim against the plaintiff divided into several causes of action for the reason that they arise from transactions one different from the other?

A case which may be considered on all fours with the present case is that of *Villasenor vs. Erlanger & Galinger*, 39 Phil., 574, wherein this Court, in discussing the test to be considered in determining the jurisdiction of a justice of the peace, laid down the following rule: "When a separate debt is due, it is demandable in a separate action. Therefore, neither a debtor nor a third party may plead lack of jurisdiction because the sum of two separate debts exceeds the amount for which action may be brought in a court of a justice of the peace. On the other hand, if a debt is single a creditor may not divide it for the purpose of bringing the case within the jurisdiction of a justice of the peace." This case is authority for the statement that if a claim is composed of several accounts each distinct from the other or arising from different transactions they may be joined in a single action even if the total exceeds the jurisdiction of a justice of the peace. Each account furnishes the test. But if the claim is composed of several accounts which arise out of the same transaction and cannot be divided, the same should be stated in one cause of action and cannot be divided for the purpose of bringing the case within the jurisdiction of the justice of the peace.

The same rule obtains in the American jurisdiction. Thus, it has been generally held that "In order that two or more claims may be united to make the jurisdictional amount, they must belong to a class that under the statute will permit them to be properly joined in one suit, and not such as should be made the subject of independent suits; and where two or more causes of action are improperly united in one suit the amounts involved in the different causes' cannot be added together so as to make an amount in controversy sufficient to confer jurisdiction on the court in which the suit is brought * * *. But, "in so far as causes of action which may be properly joined are concerned, and which concern all the parties litigants, there is, however, a lack of harmony on the question of whether or not their various amounts should be aggregated in order to determine the amount in controversy for jurisdictional purposes." (21 C. J., pp. 76-78.)

In the last analysis, therefore, the question to be determined is whether the three causes of action into which the counterclaim of the defendants has been divided refer to transactions which should be stated separately, or transactions which have a common origin and should be joined in one cause of action for jurisdictional purposes. An analysis of the facts reveals that the three causes of action of the counterclaim are different one from the other, or at least the first is completely different and arises from a set of facts different from those which gave rise to the other two. The first refers to the recovery of the amount of P2,000 arising from the alleged unlawful taking by the plaintiffs of certain furniture and equipment belonging to the defendants; while the second and third causes of action arose, not from the illegal taking of property, but from the alleged unlawful institution by the plaintiffs of

the action of ejectment in the Municipal Court. From this it can be seen that the first cause of action cannot be joined with the other two in one single claim because they arise from different sets of facts.

Another consideration that should be borne in mind is whether the counterclaim is compulsory or not. If it is, such as if it arises from, or is necessarily connected with, the facts alleged in the complaint, then that counterclaim should be set up regardless of its amount. Failure to do so would render it barred under the rules¹. In this particular case, while the first cause of action cannot be considered compulsory because it refers to a transaction completely unrelated with the main claim, the second and the third belong to this class because they necessarily arise from the institution of the main action. Viewed in this light, it can be said that the counterclaim of the defendants should be deemed as coming within the jurisdiction of the municipal court, because the respective amounts, considered separately, do not exceed its jurisdiction. From all angles we view the order appealed from it would appear that it is unwarranted and has no legal basis.

Wherefore, the order appealed from is hereby set aside, without pronouncement as to costs.

Paras, C. J., Bengzon, Reyes, Jugo and Concepcion, JJ., concur.

DISSENTING

PADILLA, J.:

This is an action of forcible entry and for recovery of P2,000 as damages, and P200 as attorney's fees. In their answer the defendants sought to recover a counterclaim of P2,000, the value of the furniture and equipment allegedly belonging to them and claimed to have been taken by the plaintiffs from the apartment (accessoria), the possession of which is sought to be recovered in the action; the sum of P1,000, the expense allegedly incurred by the defendants as a result of the action brought against them; and P500 for attorney's fees.

The municipal court of Manila rendered judgment ordering the defendants to vacate the apartment but did not award the sums sought to be recovered by both parties on the ground that the same were beyond its jurisdiction. The defendants appealed to the Court of First Instance setting up the same counterclaim they had sought to recover in the municipal court. Plaintiffs moved for the dismissal of the counterclaim on the ground that the Court of First Instance has no jurisdiction to try and decide on appeal a counterclaim involving P3,500 set up by the defendants in the municipal court and repeated on appeal in the Court of First Instance which the municipal court had refused to try and decide for lack of jurisdiction. The motion was granted and from the order dismissing the counterclaim the defendants have appealed.

In the first place, the defendants should not have been allowed to appeal from the order of dismissal of their counterclaim but should have waited until after final judgment shall have been rendered by the Court of First Instance in the forcible entry action.[1] By allowing this appeal the case may be submitted twice to an appellate court when all issues joined and questions incident thereto raised by the parties should be passed upon and decided in one appeal. Granting, nevertheless, that the defendants may appeal from an order of dismissal of a counterclaim, I disagree with the majority that the amount of each claim arising from different transactions and not the aggregate amount of the counterclaim is determinative of the jurisdiction of the Court.

Section 86, Republic Act No. 296, as amended by Republic Act No. 644, provides:

The jurisdiction of justices of the peace and judges of municipal courts of chartered cities shall consist of:

* * * * *

(b) Original jurisdiction in civil actions arising in their respective municipalities and cities, and not exclusively cognizable by the Courts of First Instance; and

* * * * *

Section 88, Republic Act No. 296, as amended by Republic Act No. 644, provides:

In all civil actions * * * arising in his municipality or city, and not exclusively cognizable by the Court of First Instance, the justice of the peace and the judge of a municipal court shall have exclusive original jurisdiction where the value of the subject-matter or amount of the demand does not exceed two thousand pesos, exclusive of interest and costs. * * *

The first claim for P2,000, which represents the value of certain furniture and equipment allegedly belonging to the defendants and claimed to have been taken by the plaintiffs from the apartment (accessoria), the possession of which is sought to be recovered from the defendants who, plaintiffs claim, forcibly entered upon the same and deprived them of the possession thereof, is not an independent transaction or claim because it arose from the alleged unlawful entry upon the premises by the defendants. Hence, the three items of the counterclaim arose from the alleged unlawful entry by the defendants upon the premises, the possession of which the plaintiffs seek to recover. The aggregate amount being beyond the jurisdiction of the municipal court to hear, try and decide, the order of the Court of First Instance of Manila to which the case was appealed is in accordance with law.

The jurisdiction of the municipal court is limited whereas that of the Court of First Instance is general. The limited jurisdiction of the former should not be enlarged or stretched at the expense of that of the latter. Enlarging the jurisdiction of the municipal court would be illegal.

The case of *A. Soriano y Cia. vs. Jose*, 47 Off. Gaz., Supp. No. 12, 156, cited by the majority is not in point. There several employees having each a cause of action against the employer were allowed to join in one suit brought in the municipal court of Manila, although the aggregate amount of the several causes of action constituting the demand was beyond the jurisdiction of the municipal court, because the amount of each cause of action which is less than P2,000 determines the jurisdiction of the court and the joinder of such parties is permitted by section 6, Rule 3. In other words, if the several employees having a claim against the employer were not permitted to join in one suit by the above mentioned rule, each would have to bring a separate action and the action of each would be within the jurisdiction of the municipal court because the amount claimed by each plaintiff would not exceed P2,000 exclusive of interest and costs.

The rule in the case of *Villaseñor vs. Erlanger & Galinger*, 19 Phil., 574, invoked by the majority does not support its opinion. There the action was one of interpleading brought by the sheriff of Tayabas for determination as to who among the defendants were entitled to the funds he had in his possession. The question of jurisdiction of the justice of the peace court of Manila was not the *Us mota* but rather the question of preference of credits. There were two actions brought by Ruiz y Rementeria against Manuel Abraham and two judgments rendered by the justice of the peace court of Manila in favor of Ruiz y Rementeria—one for P572.91 and the other for P304.73—both amounts being within the concurrent jurisdiction of the justice of the peace court and the Court of First Instance of Manila. This Court in reversing the judgment of the trial court, which disallowed the two credits of Ruiz y Rementeria ordered by the justice of the peace court of Manila in two judgments to be paid to Ruiz y Rementeria correctly ruled that such credits were allowable.

For these reasons, the order appealed from should be affirmed, with costs against the appellants.

Labrador, J., concurs.

[1] Section 2, Rule 41.

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