

FERNANDO GOZON, PLAINTIFF AND APPELLEE, VS. SALUD VDA. DE BARRAMEDA, DEFENDANT AND APPELLANT.

G.R. No. L-17473. June 30, 1964

Ponente: BENGZON, C.J.

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BENGZON, C.J.:

Appeal from the decision of the Rizal court of first instance holding that the demand for liquidated damages of P5,000.00 in a detainer case came within the jurisdiction of the justice of the peace court, and that the agreed sum of P5,000.00 as liquidated damages was not unconscionable.

The complaint against above defendant for detainer was filed in June, 1958, in the peace court of Caloocan, Rizal. It prayed for the recovery of the premises described therein, the unpaid rentals thereof plus the sum of P5,000.00 as liquidated damages, and the issuance of a writ of preliminary injunction first, to prevent defendant from further collecting the daily rentals from the various stallholders in the said property; and second, to allow plaintiff to take over the collection thereof. The peace court issued the writ accordingly.

In her answer, defendant advised the court that pursuant to its preliminary injunction, possession of the premises had been transferred and delivered to Gozon. Then she raised the defense that the court had no jurisdiction over the claim for the liquidated damages in the amount of P5,000.00.

The case was submitted for judgment on the pleading; whereupon a decision was rendered declaring the temporary possession by Gozon of the said premises permanent, and rentals due up to July 3, 1958,—when possession was surrendered—plus P5,000.00 as liquidated damages, and costs.

Barrameda appealed to the Court of First Instance of Rizal insisting that the peace court had no jurisdiction to award the liquidated damages of P5,000.00; and as an alternative defense, that the amount of P5,000.00 was unconscionable.

Answer having been filed, that court upon Gozon's motion, rendered the decision now before us, affirming that of the peace court.

Two questions are at issue: (1) whether or not the justice of the peace court of Caloocan had jurisdiction to award the P5,000.00 as liquidated damages; and (2) whether or not such amount is unconscionable.

" Relative to the appellant's theory that the said peace court had no jurisdiction over the claim for liquidated damages in the sum of P5,000.00, it is argued:

In the case filed before the peace court, appellee had joined two actions in one single complaint for unlawful detainer: one for ejectment and the other for collection of liquidated damages. The joinder is improper for the reasons: (1) that an action for collection of liquidated damages necessitates the filing of an ordinary "action whereas an ejectment case is summary in nature; and (2) that the amount sought to be recovered in the liquidated damages is beyond the jurisdiction of the peace court (at that time P2,000.00 only in civil cases). It is true,

appellant argues, that in action for ejectment, peace courts retain jurisdiction to award damages even beyond P2 000.00. However, such damages refer only to value of the reasonable use and occupation of the premises in controversy, never to any other kind in damages.

" An alternative grounds of the instant appeal, it is urged that P6,000.00 for liquidated damages is unconscionable and iniquitous, it appearing that no actual damage aside from the agreed rentals due on the premises—but unpaid—was suffered by appellee, the use and, occupation thereof having been surrendered to appellee immediately after the institution of the complaint (i.e. upon the issuance of the writ of preliminary injunction).

This Court has often stated that inferior courts have 'exclusive jurisdiction over cases of forcible entry and detainer regardless of the value of damages demanded.[1] It has also ruled that the damages that may be recovered in actions for ejectment are those equivalent to a reasonable compensation for the use and occupation of the premises by defendant[2]. Nonetheless, this latter legal proposition is not pertinent to the issue raised in the instant case because here, the damage sought to be recovered had previously been agreed to by lessee (in the contract of lease) and imposed by lessor by way of damages. Besides, nobody can affirm that the liquidated amount of damage stipulated in the lease contract, was not due to occupation or loss of possession of the premises and non-compliance with the contract.

Furthermore, the act which gave rise to the cause of action in this unlawful detainer case was lessee's non-compliance with the terms of the lease agreement[3] with lessor. She failed to pay the 4th installment on or before the scheduled date (of April 20, 1958). As stipulated in the lease contract, failure on the part of the lessee to pay any of the installments provided therein, confers on the lessor, the right to terminate the lease contract; and should a court action ensue pursuant to such non-compliance, appellant binds herself to pay appellee the amount of P5,000.00 as liquidated damages. From that breach of contract—a single cause of action—the appellee derived several enforceable rights against appellant. In accordance with the rules prohibiting the split of a single cause of action,[4] the complaint properly included the demand for damages and the peace court correctly issued jurisdiction over the amount of P5,000.00 as an incident to the ejectment case.

"* * * Where there is only one delict or wrong, there is only one delict or wrong, there is but a single cause of action regardless of the number of rights that may have been violated belonging to one person. And the rule is that all such rights should be alleged in a single complaint, otherwise those that are not therein included cannot be the subject of subsequent complaints, for they are barred forever. For instance, when one's property is taken through violence by another, a single delict or wrong is committed consisting of the illegal taking of the property, and accordingly there is but a single cause of action. This cause of action, however, entitles the plaintiff to two claims; one for recovery of property, and another for damages for its detention by the defendant. Under the above stated rule, plaintiff may file only one complaint embracing the two claims. He may not file two complaints, one for the possession and another for damages, for if he does so, he would be splitting up a single cause of action into two parts, and the filing of the first complaint would bar the second.* * *." (Moran, Rules of Court [1963 ed.] Vol. 1, p. 95.)

"Only one cause of action as a general rule, arises from a single breach or several breaches of a single and indivisible contract, and all the damages claimed by reason thereof must be secure in a single action." (Moran, Rules of Court, [1963 Ed.] Vol. I, p. 96.)

Anyway, this issue has become no more than academic, as justices of the peace have power in these days, to adjudicate claims not exceeding P10,000.00 (Republic Act 3828). As to the damages, we say, considering that the written contract between the parties contemplated a total amount of P48,000.00 and occupancy for a period of six years, we can not—without sufficient proof—regard as iniquitous the sum of P5,000.00 awarded by way of liquidated damages, what with the possibility that the owner could not find a tenant for many months, after the

defendant shall have left the premises, the employment of counsel, etc.

Wherefore, seeing no reason to modify the decision appealed from, we hereby affirm it with costs against appellant. So ordered.

Bengzon, C. J., Padilla, Bautista Angelo, Concepcion, Reyes, J. B. L., Paredes, Regala and Makalintal, JJ., concur.

[1] Tuason vs. Sellner, 30 Phil. 543; Lao Seng Hian, et., al. vs. Hon. Almeda Lopez, et., al., G.R. No. L-1950, May 16, 1949; City of Manila vs. Ebay, G.R. No. L-15872, April 26, 1961.

[2] F. Castueras, et. al., vs. Hon. F. Bayona, et., al. G.R. No. L-13657, October 16, 1959.

[3] See Annex "A" of complaint.

[4] Sec. 3, Rule 2 of the Rules of Court.

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