

REPUBLIC OF THE PHILIPPINES, PLAINTIFF AND APPELLANT, VS. LOPE M. LEDESMA, DEFENDANT AND APPELLEE.

G.R. No. L-31863. April 30, 1970

Ponente: DIZON, J.

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DIZON, J.:

Appeal taken by the Republic of the Philippines from the order of the Court of First Instance of Manila dismissing its complaint against Lope M. Ledesma for the collection of a sum of money.

It is not disputed that on various dates in the year 1943, appellee obtained several cash loans from the Bank of Taiwan, Ltd. at its office in Bacolod City, in the total amount of P8,626.15, evidenced by ten separate promissory notes (Annexes A to J attached to and made part of the complaint) executed in favor of said Bank. The loans were to earn interest at the rate of 6% per annum, computed quarterly, and all of them, except the note (Annex I) executed on November 23, 1943, bore dates of maturity.

Pursuant to the Trading with the Enemy Act, as amended, and Executive Order No. 9095 of the United States, these credits were vested in the United States. By virtue of a Transfer Agreement dated July 20, 1954, supplemented by another of June 15, 1957, the Attorney General of the United States transferred to the Re-public of the Philippines all the rights, title and interests of the United States government over said credits.

As notwithstanding written demands made upon him appellee failed to settle his obligation, on March 3, 1961 appellant filed the complaint mentioned hereto-fore in the Court of First Instance of Manila to recover the total value of the promissory notes, with accumulated interests and attorney's fees.

Appellee's answer admitted all the material aver-ments of the complaint except those made in the paragraphs pertaining to the Vesting Order, Transfer Agreement, Executive Order No. 372, and Republic Act No. 477 of the Republic of the Philippines, and interposed the affirmative defenses of prescription and force majeure.

After the admission of appellant's evidence, appel-lee waived his right to present his own and filed a motion to dismiss the complaint upon the ground that the sum of money sought to be recovered upon the promissory notes was not within the jurisdiction of the court. In its order of August 1, 1963, the lower court sustained the motion and dismissed the complaint. Hence the present appeal based upon the ground that the trial court com-mitted the following errors:

"I

THE LOWER COURT ERRED IN HOLDING THAT THE AMOUNT OF DEFENDANT'S OBLIGATION INCURRED IN JAPANESE MILITARY NOTES SHOULD BE DETER-MINED AT THE EXCHANGE VALUE OF THE JAPANESE WAR NOTES ON THE DATES OF MATURITY OF THE PROMISSORY NOTES AND NOT TO BE COMPUTED AS OF THE DATES WHEN SAID NOTES WERE EXECUTED.

II

THE LOWER COURT ERRED IN HOLDING THAT THE AMOUNT DUE FROM THE DEFENDANT WAS NOT WITHIN ITS ORIGINAL JURISDICTION.

III

THE LOWER COURT ERRED IN DISMISSING THE COMPLAINT."

The total of the monetary loans evidenced by the promissory notes sued upon is P8,626.15. On the other hand, the complaint filed in the lower court prayed for judgment as follows:

"(1) Ordering the defendant to pay the plaintiff the amount of P8,100.71, representing the principal and interest there-on as of December 31, 1959, with interest thereon at the rate of 6% per annum, compounded quarterly, from the date of the filing of the complaint until the whole obligation is fully paid and satisfied;

"(2) Ordering the defendant to pay the plaintiff the sum of P1,810.07, equivalent to 10% of the total indebtedness, as attorney's fees; and

"(3) Ordering the defendant to pay the costs of this suit."

It is settled law that in actions for the recovery of a sum of money, the amount claimed in the complaint is the basis for the determination of whether the action is within or outside the jurisdiction of the court where the action was filed. Generally, the defendant can not take the case outside the jurisdiction of said court by alleging or proving that the plaintiff is entitled only to an amount less than the jurisdictional amount for said court.

In the case at bar the amount claimed by appellant is clearly within the original exclusive jurisdiction of Courts of First Instance and well above the jurisdictional amount for municipal courts and justice of the peace courts at the time of the filing of the action. There being no claim or pretense that the amount thus claimed was exaggerated purposely to make the case fall within the jurisdiction of the Court of First Instance of Manila, it is our view that the lower court committed an error in dismissing the case upon the particular ground stated in the order appealed from.

Without deciding other issues raised in this appeal, We, therefore, set aside the order of dismissal appealed from and remand the case to the court a quo for the rendition of judgment on the merits in accordance with the facts and the law of the case. With costs.

Concepcion, C.J., Reyes, JBL, Makalintal, Zaldivar, Ruiz Castro, Fernando, Teehankee, and Villamor, JJ., concur. Barredo, J., on official leave.

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