

ALFREDO ARROZ, PLAINTIFF-APPELLANT, VS. JOAQUINA A. ALOJADO, ET AL., DEFENDANTS-APPELLEES.

G.R. No. L-22153. March 31, 1967

Ponente: REGALA, J.

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REGALA, J.:

The Court of First Instance of Palawan dismissed the complaint filed in Civil Case No. 397 (Alfredo Arroz v. Joaquina A. Alojado, et al) on the ground that the case falls properly under the jurisdiction of the Justice of the Peace Court (now Municipal Court). The plaintiff has appealed, claiming that the Court of First Instance has jurisdiction over the case since the complaint prays for the specific performance of an obligation.

The complaint in question alleges:

"2. That November 10, 1961, at Brooke's Point, Palawan, the defendant entered into a contract with the plaintiff whereby the defendant sold a parcel of land in favor of the plaintiff by way of a Memorandum of Agreement of sale, for and in consideration of ONE THOUSAND FIVE HUNDRED PESOS (P1,500.00), Philippine currency, the agreement in full is as follows:

'AGREEMENT

'This is to acknowledge receipt of the amount of ONE THOUSAND FIVE HUNDRED PESOS (P1,500.00) from Alfredo Arroz of Brooke's Point, Palawan, this date November 10, 1961, at Brooke's Point, Palawan.

'Same amount will be returned fifteen days after November 14, 1961, and as guarantee, I hereby held as a collateral a portion of my residential lot situated in the poblacion of Brooke's Point, Palawan, described as follows:

"A portion of land about 280 square meters, one side along the National Highway from the corner of Mr. Yap store to the left corner of Mr. Abid Anzares store, by 20 meters inward the residential lot."

'I hereby agree that if I fail to return the said amount on the 30th day of November, 1961, said portion of land is considered as sold, however, I will be given another 15 days period to re-deem the said piece of land if I so desire.

'Done at Brooke's Point, Palawan, November 10, 1961.

(Sgd.) JOAQUINA A. ALOJADO

'Confirmed:

(SGD.) PAZ ALOJADO JALLORINA**(SGD.) CATALINA ALOJADO QUILOPE PATERNO ALOJADO"**

"3. That on November 30, 1961, at Brooke's Point, Palawan, the defendant pursuant to the Memorandum of Agreement of Sale dated November 10, 1961, personally went to the plaintiff to exercise the right to redeem the said piece of land for 15 days from the above-noted date. The plaintiff acceded to the defendant exercise of said option to redeem terminating on December 15, 1961.

"4. That on December 15, 1961, the defendant herein failed to redeem the said land subject of the Memorandum of Agreement of Sale in favor of the plaintiff.

"5. That on December 16, 1961, the plaintiff herein demanded verbally to the defendants to convey the land subject of the Memorandum of Agreement of Sale but the defendant refuse and still refuses even upon incessant demand by the plaintiff.

"6. That on January 4, 1962, at Brooke's Point, Palawan, the plaintiff herein wrote a letter of demand for the defendant to convey the land by way of a Public Instrument. The said letter is recorded under Registered Letter No. 227 of the Post Office at Brooke's Point, Palawan, duly received by the defendant on the same day, January 4, 1962.

"7. That in said letter the defendant was given 7 days within which to deliver to the plaintiff the Deed of Conveyance of the land covered by the Memorandum of Agreement of Sale dated November 10, 1961.

"8. That before the 7 days period given to the defendant to deliver the Deed of Conveyance, the defendant illegally deposited the amount of P1,530.00, Philippine currency, to the Municipal Treasurer of Brooke's Point, Palawan, by way of a petition filed before the Honorable Court. By virtue of this petition the Honorable Court in an Interlocutory Order dated January 5, 1962, ordered the amount to be deposited.

"9. That the 7 days period is no longer necessary by virtue of said illegal deposit.

"10. That in said letter demanding the delivery of a Deed of Conveyance by virtue of said Memorandum of Agreement of Sale dated November 10, 1961, it is stated therein that the plaintiff is gathering materials to construct a house on said land. By the refusal of the defendant to convey the said land, the plaintiff suffered damages in the amount of ONE THOUSAND PESOS (P1,000.00) Philippine currency.

"WHEREFORE, from the foregoing it is respectfully prayed that judgment issue in favor of the plaintiff and against the defendants, ordering the latter:

1. That the land covered by the Memorandum of Agreement of Sale dated November 10, 1961, be conveyed to the Plaintiff immediately by way of Deed of Conveyance.
2. That to consider the deposit to the Municipal Treasurer of Brooke's Point, Palawan, in the amount of P1,530.00 be considered illegal and void and of no effect.
3. That the defendant be required under the law to pay damages in the amount of P1,000.00 Philippine Currency to the plaintiff, and other relief that the court may deem it proper."

It cannot be disputed that the complaint seeks the fulfillment of the terms of an agreement entered into between the parties whereby the defendants would consider as sold to the plaintiff a piece of land given as security for a loan of P1,500, in the event that the former fails to pay within the period provided for therein. Having failed to pay the said loan when it became due, the defendant is now asked to deliver to plaintiff by means of a deed of conveyance the piece of land mentioned in their agreement. Thus, the issues raised in the complaint are:

1. Whether or not the plaintiff is entitled to the conveyance of the property described in the agreement; and
2. Whether or not the deposit of P1,530 made by the defendant with the Municipal Treasurer of Brooke's Point should be considered void.

Clearly, these matters brought before the court for its determination cannot be assessed in terms of money.

Section 88 of the Judiciary Act, as amended, confers to the Justice of the Peace and Municipal Courts (now muni-cipal and city courts, respectively) original jurisdiction over cases where the value of the subject matter or amount of the demand does not exceed P5,000 (now P10,000). How-ever, paragraph 2 of said section states:

"The jurisdiction of a justice of the peace and judge of a municipal court shall not extend to civil actions in which the subject of litig-ation is not capable of pecuniary estimation. x x x." (Underscoring ours)

In *Manufacturer's Distributors, Inc. v. Yu Siu Liong*, G. R. No. L-21285, April 29, 1966, We affirmed an order of the Court of First Instance of Manila declaring the muni-cipal court (now city court) of same city not to have juris-diction over a case for specific performance. The issue in that case centered on whether or not the refusal of the de-fendant therein to accept delivery of the balance of P74,500 pieces of plastifilm bags worth P2,560 was justified. It was held that the fact that the complaint also sought pay-ment of P3,374 plus interest and attorney's fees, did not confer jurisdiction to the municipal court over it, for the payment of such amounts could only be ordered as a con-sequence of the specific performance primarily sought. In other words, payment would be but an incident or consequence of defendant's liability for specific performance.

In the present case, the complaint does not even pray, directly nor alternatively, for the payment of the amount of money owed by defendant to plaintiff. The fact that mention is made in the complaint about the loan of P1,500 contracted by the parties would not render the litigation a money litigation because as far as the plaintiff is con-cerned, the obligation of the defendant is no longer to pay the said amount but to deliver the property mentioned in their agreement. Indeed, the legality or illegality of the conveyance sought for, and the determination of the validity of the money deposit made by the defendant with the municipal treasurer, are not matters which are capable of pecuniary estimation.

WHEREFORE, the order dismissing the complaint is hereby set aside. Let the case be remanded to the court of origin for further proceedings. Without pronounce-ment as to costs.

Concepcion, C.J., Reyes, Dizon, Bengzon, Zaldivar, Sanchez, and Castro, JJ., concur.
Makalintal, J., took no part.

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