

## **CAMPOS RUEDA CORPORATION, PLAINTIFF AND APPELLANT, VS. STA. CRUZ TIMBER CO., INC., AND ALFONSO F. FELIX, DEFENDANTS AND APPELLEES.**

*G.R. No. L-6884. March 21, 1956*

Ponente: REYES, J.B.L., J.

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### **REYES, J.B.L., J.:**

Sometime in 1950, Campos Rueda Corporation filed in the Court of First Instance of Manila against Sta. Cruz Timber Co. and Alfonso L. Felix (Civil Case No. 8647) to recover the value of two promissory notes for the amounts of P1.125 and P1.075, executed by defendants jointly and severally on November 23, 1948, and November 30, 1948, respectively. Holding that the two notes constitute two separate causes of action each involving less than P2.000, the Court of First Instance dismissed the case for lack of jurisdiction.

Subsequently, on February 22, 1952, Campos Rueda Corporation filed another action in the Municipal Court of Manila against the same defendants, Sta. Cruz Timber Co. and Alfonso L., Felix,, for collection of 'the same promissory notes object of the former action. After trial on the merits, the Municipal Court likewise dismissed the action on the ground that the amount of the two notes, which plaintiff consolidated under a single cause of action, was in excess of' its jurisdiction; and on appeal to the Court of First Instance of Manila, the latter Court sustained the dismissal of the action by the Municipal Court. Wherefore, plaintiff brought this appeal directly to this Court. The sole question involved herein is whether or not the Municipal Court of Manila has jurisdiction over the subject-matter of appellant's complaint: the two promissory 'notes set forth therein, executed on November 23, 1948, and November 30, 1948, and for the amounts of,Pl,125 and Pl,075 respectively.

The pertinent provisions of the Judiciary Act of 1948, as amended, read:

"SEC. 44. Original jurisdiction.—Courts of First Instance shall have original jurisdiction:

(c) In all cases in which the demand, exclusive of interest, or the value of the property in controversy, amounts to more than two thousand pesos;

Sec. 88. Original jurisdiction in civil cases.—\* \* \* In all civil actions, including those mentioned in Rules 59 and 62 of the Rules of Court, 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. \* \* \*"

Interpreting the above provisions, we held in the cases of Gutierrez vs. Kuiz, et al., 50 Off. Gaz., No. G, 2480, and Soriano vs. Omila, 51 Off. Gaz, No. 7, 3465, that the jurisdiction of a court depends, not upon the value or demand in each single cause of action contained in the complaint, but upon the totality of the demand in all the causes of action. The aggregate amount of the two notes claimed by appellant being P2,200, the Municipal Court has no jurisdiction to take cognizance of its complaint.

Some doubt appears to have arisen because in our decision in the case of *Go vs. Go*, (95 Phil., 378), promulgated June 30, 1954, a distinction was drawn between a claim composed of several accounts arising from different transactions, and another which is composed of several accounts which arise out of the same amount of each account furnishes the test of jurisdiction while in the second, the jurisdiction is determined by the total amount claimed. This ruling, however, was not followed in the recent case of *Soriano vs. Omila*, supra (citing the earlier case of *Gutierrez vs. Ruiz*, also supra), wherein we clearly and categorically stated that "the practice has always been to attend to the total amount demanded in the complaint, especially in the prayer, as determinative of the jurisdiction of the court", and dismissed the action filed in the Municipal Court because the aggregate amount of the demand (which arose from different transactions) was P2,700 and so was beyond the jurisdiction of the inferior court.

After mature deliberation, we have reached the conclusion that the correct and sound interpretation of the Judiciary Act of 1948, which bases the jurisdiction of both the Court of First Instance and the municipal court, on "the amount of the demand" (section 44 [c] and 88), is that made by us in the *Soriano vs. Omila* case: that where there are several claims or causes of action between the same parties embodied in a single complaint, the jurisdiction of the court depends, not upon the value or demand in each single cause of action, but upon the totality of the demand in all the causes of action. In other words, "the amount of the demand" means the total or aggregate amount demanded in the complaint, irrespective of whether the plural causes of action constituting the total claim arose out of the same, or different transactions.

This rule not only affords the plaintiff a means to avoid multiplicity of suits (which our rules discourage) but permits him to reduce the number of courts that he must resort to in obtaining relief. The rule, furthermore, appears to be in accord with the weight of American authority, including the Federal courts and those of the State of California from which our own rules of practice and procedure were mainly taken.

"Where there are several causes of action, each of which for less than the jurisdictional amount, if the aggregate demand is for that amount, a court will have jurisdiction whenever the causes of action are such as can be joined in the same action." (14 Am. Jur. p. 415, section 217)

"The rule in both the Federal and state courts is that where claims, individually less than the required jurisdictional amount, are aggregated through a bona fide transfer or assignment, with no intention to convey to the plaintiff a full title and these claims aggregate a sum equal to, or in excess of, the jurisdictional requirement is satisfied and the court has jurisdiction." (*Bullard vs. Cisco* (U.S.) (reported herewith) ante, 141; 290 U.S. (Ed, Note, 93 A.L.K., 148)

"The rule for determining jurisdiction where several claims have been vested in a single plaintiff by assignment is thus clearly stated in *Hammell vs. Superior Court*, 217 Cal. 5, 17 P. (2d) 101,102:

"While the decisions of other states are not in complete accord upon this proposition (15 Cor.' Jur. 788-771, sections 64, 65; 7 R.C.L. 1055, section 91), it has long since been settled in this state, that, where separate causes of action, properly joinable are united in a single plaintiff and set forth in a single complaint, the superior court has jurisdiction, to the exclusion, of inferior courts, if the aggregate of the several claims equals or exceeds the jurisdictional minimum of the superior court, although no one of the claims equals such jurisdictional minimum. (*Bailey vs. Sloan*, 65 Cal. 387, 4 P. 349; (*Ventura County vs. Clay*, 114 Cal. - 242, 46 P. 9; *Calloway vs. Tones*, 72 cal. xxi, 13 p. 712)

"When, as here, the jurisdiction of a court depends upon the amount in controversy, the complaint, as a whole, is to be examined *Adj. Co. vs. Superior Court*, 189 Cal. 92, 94, 95 207 p. 552; *Calloway vs. Orb Min. Co.*, v 5 Cal, App. 191, KM, 89 p. 1070. If under the allegations of the complaint the plaintiff is entitled to an amount equal to, or in excess, of, the superior court's jurisdictional minimum, that court has jurisdiction of the cause even though the demand be made up of several component parts. This rule, of necessity, applies only to those

cases where the total demand concerns and affects all the parties to the litigation. It is without application to a suit where several complainants, acting individually and not jointly, are seeking to enforce their respective claims against a single defendant, each claim being less than the jurisdictional minimum. (*Winrod vs. Wolters*, 141 Cal. 399, 402, 403, 74 P. 1037; *Golla vs. Carmichael U-Drive Autos, Inc.*, Ill Cal. App. (Supp.) 784, P. 378), or to a case where single plaintiff is seeking to enforce separate demands against several defendants, the amount demanded of each defendant being under the jurisdictional minimum (*Myers vs. Sierra Valley*, etc., Ass'n, 122 Cal. 669, 65 P. 689)." (*Frost et al. vs. Mighetto et al.*, 71 Pac. Rep. 2d. 932, 934)

"Respondent's objection that this cause is beyond the jurisdiction of the Superior Court because under \$1,000 is without merit because the aggregate of the amounts sued for is well within the jurisdictional amount. 7 Cal. Jur. p. 692. The demurrer should be overruled, and the plaintiff should be granted leave to amend if it is so advised." (*Forster et al. vs. Carouso* (Calif.) 299 Pac. 741, 742)

The federal rule is the same. In *Firestone Tire and Rubber Co. vs. Brent*, 2 Bed. Supp. 425, citing numerous precedents from the federal district courts, it is stated:

"There is ample authority to sustain the contention made the plaintiff that the amount of the matter in controversy is determined, not by any one cause of action, but by the aggregate amount of all of the causes of action properly joined in an action at law."

It thus appears that our ruling in *Soriano vs. Omila*, 51 Off. Gaz. (No. 7). p. 3465, that we now reiterate, has the support of reason and precedent. Of course, where the claims joined are separately owned by, or due to, different parties, the rule will be different and each separate claim furnishes the jurisdictional test. (*Argonza et al. vs. International Colleges*, (90 Phil., 470) November 29, 1951; *Soriano y Cia vs. Jose*, 47 Off. Gaz. (12 Supp. p. 156) 86 Phil., 523.

Appellant urges that to hold that the Municipal Court has no jurisdiction over this case would result in an absurdity, because the Court of First Instance of Manila had previously declared itself without jurisdiction over the same case (Civil Case No. 8647) and so no court would appear to have jurisdiction to grant appellant relief on its two promissory notes. The fallacy in this argument is that the Court of First Instance of Manila did have jurisdiction to try the first case, and so its dismissal of the action for lack of jurisdiction was an error of law. Such error could have been corrected on appeal, had any of the parties appealed; but appellant chose to abide by the decision of the Court of First Instance and filed its action anew in the Municipal Court of Manila. As the latter Court never acquired jurisdiction over this case, however, we are not in a position to grant any relief to appellant on appeal and have no choice but to sustain the dismissal of the action by the Court of First Instance.

Wherefore, the order appealed from is affirmed, without prejudice to the right of appellant Campos Eueda Corporation to file another complaint for the same cause of action in the court of proper jurisdiction. Costs against appellant. So ordered.

Bengzon, Padilla, Montemayor, Reyes, A., Labrador, Concepcion, and Endencia, JJ., concur.

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BAUTISTA ANGELO, J., concurring and dissenting:

I concur in the result because it appears that the two promissory notes herein involved arise out of the same transaction, but I still adhere to the ruling laid down in *Alicia Go, et al. vs. Alberto Go, et al.* 50 Off. Gaz., 3031 which I believe to be sound. One wholesome effect of this ruling is that it would forestall any attempt at circumvention of the jurisdiction of inferior courts by joining different accounts in one action even if they arise out of different transactions simply because of the desire to place them within the jurisdiction of a higher court. This would amount to a deprivation of the jurisdiction of inferior courts by judicial ruling. As it was properly

held, "where two or more causes of action are improperly united in one suit the amount 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 \* \* \* ." (21 C. J., pp. 76-78).

Parás, C. J., concurs.

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