

**TESCO SERVICES, INCORPORATED, PETITIONER, VS. THE
HONORABLE ABRAHAM P. VERA, PRESIDING JUDGE OF THE
REGIONAL TRIAL COURT NATIONAL CAPITAL JUDICIAL REGION,
QUEZON CITY, BRANCH 90...**

G.R. No. 100111. May 29, 1992

Ponente: PARAS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-100111/>

PARAS, J.:

In this petition for Certiorari and Prohibition with Prayer for a Temporary Restraining Order, petitioner questions the jurisdiction of the Regional Trial Court of Quezon City, Branch 90 (instead of the Construction Industry Arbitration Commission) in taking cognizance of the Petition* for Injunction with Prayer for Issuance of a Writ of Preliminary Injunction and a Temporary Restraining Order filed by private respondent in SP Case No. Q-91-8948 entitled *LAROSA CONSTRUCTION AND MANAGEMENT CORPORATION v. TESCO SERVICES, INCORPORATED*" and for issuing a temporary restraining order.

The facts as culled from the records of the case are as follows:

On June 2, 1990, petitioner Tesco Services, Incorporated (TESCO, for brevity) and private respondent Larosa Construction and Management Corporation (LAROSA, for brevity) entered into a sub-contract agreement with the former as contractor and the latter as the sub-contractor, for the execution of the Civil Works under the PLDT's 5th Expansion Program (hereinafter referred to as the Project).

During the course of the Project pursuant to the Sub-contract, a dispute arose. TESCO alleged that LAROSA failed to perform the work required of the latter within the time frame set out in the Sub-contract agreement. LAROSA disputed the allegation of non-performance and alleged that the delay, if any, to complete the Project was due to petitioner TESCO's failure to fulfill its obligations under the Sub-contract agreement.

On May 13, 1991, TESCO sent to LAROSA a thirty (30) day notice of termination of the Sub-contract agreement pursuant to Article 25 of the said contract stating as ground therefor non-compliance with the project schedule. The letter states among others that "(u)pon the expiration of this 30-day notice or at an earlier date that may be agreed upon by the parties TESCO will take over direct control and supervision on all remaining works subject to the provisions of Article 25" (Annex "1").

On May 17, 1991, TESCO again sent to LAROSA a letter-request "for the early termination of our contract with you pursuant to our notice of termination dated May 13, 1991 instead of waiting for the 30-day expiration" (Annex "2").

LAROSA replied to the aforesaid letters of termination in a letter dated May 21, 1991 disputing and opposing the termination of the Sub-contract agreement and demanding that the status quo be maintained until the issues are resolved (Annex "3").

On May 30, 1991, LAROSA filed a Petition for Injunction with Prayer for Issuance of a Writ of Preliminary Injunction and a Temporary Restraining Order with the Regional Trial Court of Quezon City, Branch 90 (Rollo, p. 17; Annex "A").

A temporary restraining order enjoining TESCO from proceeding with its intended termination of the Sub--contract agreement and taking direct control and supervision of all remaining work under the sub-contract agreement was issued by the court a quo in its Order dated May 31, 1991. Likewise a hearing on the prayer for a writ of preliminary injunction was set on June 13, 1991 at 1:30 o'clock in the afternoon (Rollo, p. 8; Petition; Annex "B").

Hence, TESCO filed with this Court a petition for Certiorari and Prohibition with Prayer for a Temporary Restraining Order on June 6, 1991 questioning the jurisdiction of the court a quo in taking cognizance of the petition for injunction and henceforth issuing a temporary restraining order. It also asked this Court to enjoin respondent judge from enforcing the Order dated May 31, 1991 requiring TESCO to answer the petition for injunction.

On June 13, 1991, without a temporary restraining order from this Court, the court a quo proceeded with the hearing of the petition for injunction. TESCO through its lawyers entered a special appearance solely to contest the jurisdiction of the court a quo.

On June 14, 1991, in holding that the interest of justice will be better served if the status quo is maintained, the court a quo granted LAROSA's application for preliminary injunction (Rollo, p. 60).

On September 23, 1991, the Second Division of this Court resolved to give due course to the petition (Rollo, p. 85).

The main issue in this case is whether or not it is the Regional Trial Court or the Construction Industry Arbitration Commission which has jurisdiction over the subject matter of this case.

TESCO contends that since the parties bound themselves under Article 26 of the Sub-contract agreement to settle any dispute, claim or difference of opinion arising out of or relating to the Sub--contract or breach thereof through arbitration, it is the Construction Industry Arbitration Commission (CIAC) which has exclusive and original jurisdiction over construction disputes pursuant to Section 4 of Executive Order No. 1008.

Article 26 of the Sub-contract agreement provides as follows:

ARTICLE 26

ARBITRATION

"In the event of any dispute, claim or difference of opinion arising out of or relating to this Sub-contract or breach thereof, the parties hereto shall do their best to settle such dispute, claim or difference amicably by negotiation.

"In the event, however, such dispute, claim or difference is not settled by negotiations within thirty (30) days after its occurrence, such dispute, claim or differences shall be settled by arbitration by a panel of three (3) arbitrators, one to be named in writing by each party to this Sub-Contract and the third to be chosen by those two arbitrators, or if they should fail to select a third arbitrator within fifteen (15) days, then he shall be appointed by the chairperson of the National Bar Association of the Philippines. No one shall be nominated or act as an arbitrator who is in any way financially interested in this Sub-contract or in the business affairs of either LAROSA, TESCO, ETSI and PLDT.

“If either party hereto is dissatisfied with the decision of the arbitrators as provided for in the preceding paragraph, it shall, within ten (10) days after receiving notice of such decision, notify the arbitrators that it disputes the same and the matter shall thereupon be settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The resulting award shall be final and binding on both parties.” (Rollo, p. 30; Petition; Annex "D").

The above-quoted article merely prescribes the procedure to be followed by the parties in the event of any dispute, claim or difference of opinion which may arise out of or relates to the Sub-contract or breach thereof. Nowhere in said article does it mention the CIAC, much less vest jurisdiction with the CIAC.

It is true that under Executive Order No. 1008 otherwise known as the Construction Industry Arbitration Law, the Construction Industry Arbitration Commission shall have original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in the construction industry in the Philippines, whether the dispute arises before or after the completion of the contract or after the abandonment or breach thereof. However, for the Board to acquire jurisdiction, the parties to a dispute must first agree to submit the same to voluntary arbitration (Section 4, E.O. No. 1008).

Under the Rules of Procedure governing Construction Arbitration, a party to a construction contract wishing to have recourse to arbitration by the Construction Industry Arbitration Commission (CIAC) shall submit its Request for Arbitration in sufficient copies to the Secretariat of the CIAC (Section 1 of said Rules).

The records do not show that the parties agreed to submit the disputes arbitration by the CIAC. Neither was there a Request for Arbitration filed with the Secretariat of the CIAC. Hence, CIAC did not acquire jurisdiction over the disputes arising from the Sub?contract agreement between petitioner TESCO and private respondent LAROSA. While both parties in the Sub?contract had agreed to submit the matter to arbitration, this was only between themselves, no request having been made by both with the CIAC. Hence, as already stated, the CIAC has no jurisdiction over the dispute.

The petition for injunction filed by LAROSA is a civil action in which the subject of the litigation is incapable of pecuniary estimation, hence, the Regional Trial Court has exclusive original jurisdiction over it (Section 19, B.P. Blg. 129). Clearly, the respondent court did not abuse its discretion in taking cognizance of the case.

PREMISES CONSIDERED, the petition for certiorari and prohibition with prayer for a temporary restraining order is hereby DISMISSED for lack of merit.

SO ORDERED.

Narvasa, C.J., (Chairman), Padilla, Regalado, and Nocon, JJ., concur.

* Penned by Judge Abraham P. Vera

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.