

PILIPINO TELEPHONE CORPORATION, petitioner, vs. DELFINO TECSON, respondent.

G.R. No. 156966. May 07, 2004

Ponente: VITUG, J.

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VITUG, J.:

The facts, by and large, are undisputed.

On various dates in 1996, Delfino C. Tecson applied for six (6) cellular phone subscriptions with petitioner Pilipino Telephone Corporation (PILTEL), a company engaged in the telecommunications business, which applications were each approved and covered, respectively, by six mobiline service agreements.

On 05 April 2001, respondent filed with the Regional Trial Court of Iligan City, Lanao Del Norte, a complaint against petitioner for a “Sum of Money and Damages.” Petitioner moved for the dismissal of the complaint on the ground of improper venue, citing a common provision in the mobiline service agreements to the effect that -

“Venue of all suits arising from this Agreement or any other suit directly or indirectly arising from the relationship between PILTEL and subscriber shall be in the proper courts of Makati, Metro Manila. Subscriber hereby expressly waives any other venues.”[1]

In an order, dated 15 August 2001, the Regional Trial Court of Iligan City, Lanao del Norte, denied petitioner’s motion to dismiss and required it to file an answer within 15 days from receipt thereof.

Petitioner PILTEL filed a motion for the reconsideration, through registered mail, of the order of the trial court. In its subsequent order, dated 08 October 2001, the trial court denied the motion for reconsideration.

Petitioner filed a petition for certiorari under Rule 65 of the Revised Rules of Civil Procedure before the Court of Appeals.

The Court of Appeals, in its decision of 30 April 2002, saw no merit in the petition and affirmed the assailed orders of the trial court. Petitioner moved for a reconsideration, but the appellate court, in its order of 21 January 2003, denied the motion.

There is merit in the instant petition.

Section 4, Rule 4, of the Revised Rules of Civil Procedure[2] allows the parties to agree and stipulate in writing, before the filing of an action, on the exclusive venue of any litigation between them. Such an agreement would be valid and binding provided that the stipulation on the chosen venue is exclusive in nature or in intent, that it is expressed in writing by the parties thereto, and that it is entered into before the filing of the suit. The provision contained in paragraph 22 of the “Mobile Service Agreement,” a standard contract made out by petitioner PILTEL to its subscribers, apparently accepted and signed by respondent, states that the venue of all suits arising from the agreement, or any other suit directly or indirectly arising from the relationship between PILTEL and subscriber, “shall be in the proper courts of Makati, Metro Manila.” The added stipulation that the subscriber

“expressly waives any other venue”[3] should indicate, clearly enough, the intent of the parties to consider the venue stipulation as being preclusive in character.

The appellate court, however, would appear to anchor its decision on the thesis that the subscription agreement, being a mere contract of adhesion, does not bind respondent on the venue stipulation.

Indeed, the contract herein involved is a contract of adhesion. But such an agreement is not per se inefficacious. The rule instead is that, should there be ambiguities in a contract of adhesion, such ambiguities are to be construed against the party that prepared it. If, however, the stipulations are not obscure, but are clear and leave no doubt on the intention of the parties, the literal meaning of its stipulations must be held controlling.[4]

A contract of adhesion is just as binding as ordinary contracts. It is true that this Court has, on occasion, struck down such contracts as being assailable when the weaker party is left with no choice by the dominant bargaining party and is thus completely deprived of an opportunity to bargain effectively. Nevertheless, contracts of adhesion are not prohibited even as the courts remain careful in scrutinizing the factual circumstances underlying each case to determine the respective claims of contending parties on their efficacy.

In the case at bar, respondent secured six (6) subscription contracts for cellular phones on various dates. It would be difficult to assume that, during each of those times, respondent had no sufficient opportunity to read and go over the terms and conditions embodied in the agreements. Respondent continued, in fact, to acquire in the pursuit of his business subsequent subscriptions and remained a subscriber of petitioner for quite sometime.

In *Development Bank of the Philippines vs. National Merchandising Corporation*,[5] the contracting parties, being of age and businessmen of experience, were presumed to have acted with due care and to have signed the assailed documents with full knowledge of their import. The situation would be no less true than that which obtains in the instant suit. The circumstances in *Sweet Lines, Inc. vs. Teves*,[6] wherein this Court invalidated the venue stipulation contained in the passage ticket, would appear to be rather peculiar to that case. There, the Court took note of an acute shortage in inter-island vessels that left passengers literally scrambling to secure accommodations and tickets from crowded and congested counters. Hardly, therefore, were the passengers accorded a real opportunity to examine the fine prints contained in the tickets, let alone reject them.

A contract duly executed is the law between the parties, and they are obliged to comply fully and not selectively with its terms. A contract of adhesion is no exception.[7]

WHEREFORE, the instant petition is GRANTED, and the questioned decision and resolution of the Court of Appeals in CA-G.R. SP No. 68104 are REVERSED and SET ASIDE. Civil Case No. 5572 pending before the Regional Trial Court of Iligan City, Branch 4, is DISMISSED without prejudice to the filing of an appropriate complaint by respondent against petitioner with the court of proper venue. No costs.

SO ORDERED.

Sandoval-Gutierrez, Corona, and Carpio-Morales, JJ., concur.

[1] Annex D, Rollo, p. 69.

[2] SEC. 4. When Rule not applicable. – This Rule shall not apply.

(a) In those cases where a specific rule or law provides otherwise; or

(b) Where the parties have validly agreed in writing before the filing of the action on the exclusive venue thereof. (3a, 5a)

[3] Annex D, Rollo, p. 69.

[4] RCBC vs. Court of Appeals, G.R. No. 133107, 25 March 1999 (305 SCRA 449); Lufthansa German Airlines vs. Court of Appeals, G.R. No. 91544, 8 May 1992 (208 SCRA 708).

[5] G.R. Nos. L-22957 & L-23737, 31 August 1971 (40 SCRA 624).

[6] G.R. No. L-37750, 19 May 1978 (83 SCRA 361).

[7] Philippine Airlines, Inc. vs. Court of Appeals, G.R. No. 119706, 14 March 1996 (255 SCRA 48).

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