ERIBERTO P. CRISOSTOMO, PETITIONER, VS. ARNIE R. DE GUZMAN, RESPONDENT.

G.R. No. 171503. June 08, 2007

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

This is a petition for review on certiorari of the Decision[1] dated December 2, 2005 of the Regional Trial Court (RTC) of San Jose City, Branch 38, in Special Civil Action No. (05) 12-SJC, holding that the Municipal Trial Court in Cities (MTCC), Branch 1, San Jose City, did not gravely abuse its discretion in denying the motion to dismiss filed by petitioner Eriberto P. Crisostomo in Civil Case No. 3706.

The facts of the case are as follows:

Petitioner Crisostomo allegedly purchased bakery products from respondent De Guzman with a total value of P1,262,121.00, and left an unpaid balance of P277,121.00. Petitioner promised to pay respondent in June 2003 but failed to do so despite several demands. Thus, on March 24, 2004, respondent filed a Complaint[2] for the collection of a sum of money against petitioner before the MTCC, San Jose City, where it was docketed as Civil Case No. 3706 and raffled to Branch 1.

On November 8, 2004, petitioner filed a motion to dismiss Civil Case No. 3706 alleging that the MTCC had no jurisdiction to entertain the complaint filed by respondent since, pursuant to Section 5 of Batas Pambansa Blg. 129 (BP 129), as amended by Republic Act No. 7691 (RA 7691), the jurisdiction of the MTCC over claims exceeding P200,000.00 took effect only on April 12, 2004. According to petitioner –

> - Under Section 1 of Supreme Court Administrative Circular No. 09-94 dated June 14, 1994, RA 7691 took effect on April 15, 1994. Thus, applying the provisions of Article 13 of the New Civil Code and Section 31, Chapter 8, Book I of Executive Order No. 292, otherwise known as the Revised Administrative Code of 1987 (EO 292), the first adjustment in the jurisdictional amount from P100,000.00 to P200,000.00 took effect on April 14, 1999, while the final adjustment from P200,000.00 to P300,000.00 five (5) years thereafter took effect on April 12, 2004.
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> - Citing only Section 31 of EO 292, the Office of the Court Administrator (OCA), however, issued Circular No. 21-99 dated April 15, 1999 declaring that the first adjustment took effect on March 20, 1999. For the second adjustment, OCA issued OCA Circular No. 65-2004 dated May 13, 2004 declaring that the same took effect on February 22, 2004. Herein defendant submits that such effectivity dates are erroneous and not in accord with Article 13 of the New Civil Code and Section 31 of EO 292.
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> - Defendant wonders why the OCA, in the computation of the periods "after five (5) years from effectivity of this Act"and "five (5) years thereafter" found in Section 5 of RA 7691, used three hundred sixty (360) days only instead of three hundred sixty five (365) days for every year. Be it noted that the period of five (5) years covering April 15, 1994 to March 20, 1999 and from March 20, 1999 to February 22, 2004 consists only of 1,800 days. What misled the OCA in making such erroneous computation, and by using Section 31 of EO 292 only as basis, was the phrase "twelve calendar months" found in the definition of the term "years" i(n) said

> provision. OCA could have possibly understood it as "twelve months", hence, it instead used the general definition of "month" as comprising thirty days.
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> - Also, by citing Section 31 of EO 292 only, and disregarding totally the provision of Article 13 of the New Civil Code, the OCA may be of the impression that there is an inconsistency in the definition of the term "years" between the two laws. x x x As used in Section 31 of EO 292, the phrase "twelve calendar months" refers to specific calendar months of January, February, March, April, May, June, July, August, September, October and November (which contain 31, 28, 31, 30, 31, 30, 31, 31, 30, 31, 30 and 31 days, respectively, or a total of 365 days). Therefore, the term "years" in Article 13, New Civil Code and "year" in EO 292 are understood to similarly contain three hundred sixty five days.[3] (Underscoring supplied)

Petitioner claimed that since the complaint was filed on March 24, 2004 or before the second adjustment in jurisdictional amount allegedly took effect on April 12, 2004, the MTCC should dismiss the same for lack of jurisdiction.

On March 7, 2005, the MTCC issued an Order denying petitioner's motion to dismiss. The MTCC observed that petitioner was actually assailing the correctness and validity of OCA Circular Nos. 21-99 and 65-2004 fixing the effectivity dates of the increase in jurisdictional amount of first level courts. It held that it had no authority "to alter, modify or declare as invalid the Circulars issued by the Supreme Court," and that petitioner's argument had become moot since the jurisdictional amount of claims cognizable by first level courts had by then been adjusted.

Without filing a motion for reconsideration from the MTCC order, petitioner forthwith filed a Petition for Certiorari and Prohibition before the RTC of San Jose City, Branch 38, docketed as Special Civil Action No. (05) 12-SJC. In a Decision dated December 2, 2005, however, the RTC dismissed the petition on the ground that the MTCC did not gravely abuse its discretion in refusing to dismiss Civil Case No. 3706. The RTC held that the MTCC merely applied and followed the guidelines issued by the Supreme Court through the Office of the Court Administrator which is its administrative arm. Moreover, the order of the MTCC is in accord with Section 7 of RA 7691 which directs the transfer to first level courts of pending RTC cases that have not yet reached the pre-trial stage and are affected by the redefinition of jurisdiction.

Petitioner filed a Motion for Reconsideration[4] of the RTC decision which was denied.[5] Hence, petitioner directly took this recourse under Rule 45 of the Rules of Court, arguing that:

> I.
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> THE SECOND ADJUSTMENT IN THE JURISDICTIONAL AMOUNT OF FIRST LEVEL COURTS TOOK EFFECT ONLY ON APRIL 12, 2004.
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> II.
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> RTC SAN JOSE SERIOUSLY ERRED IN HOLDING THAT THE COURT A QUO VALIDLY ASSUMED JURISDICTION OVER THE CASE BELOW AND THAT ITS ACTION WAS IN ACCORD WITH SECTION 7 OF RA 7691.
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> III.
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> THE MOTION FOR RECONSIDERATION TENDERS NEW ISSUES AND ARGUMENTS, HENCE, IT IS NOT PRO FORMA.[6]

The petition lacks merit.

The RTC correctly found that the MTCC did not abuse its discretion when it denied petitioner's motion to dismiss Civil Case No. 3706. Grave abuse of discretion exists only where an act of a court or tribunal is performed with a

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capricious or whimsical exercise of judgment equivalent to lack of jurisdiction. The abuse of discretion must be so patent and gross, as to amount to an evasion of a positive duty or to a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law as where, by reason of personal hostility, the power is exercised in an arbitrary and despotic manner. Mere errors of fact or law committed by the lower court are not correctible in a special civil action for certiorari under Rule 65.[7]

As correctly observed by the RTC, the MTCC merely followed the effectivity dates fixed by the OCA for the increase in the jurisdictional amounts and applied the OCA circulars in determining that it in fact had jurisdiction over the complaint filed by respondent. The MTCC did not evade any positive duty or refuse to perform an act enjoined by law when it refused to dismiss Civil Case No. 3706. On the contrary, it acted in accordance with law and in compliance with the OCA directives.

The provisions of RA 7691 which are pertinent to the instant case provide as follows:

> SEC. 5. After five (5) years from the effectivity of this Act, the jurisdictional amounts mentioned in Sec. 19(3), (4), and (8); and Sec. 33(1) of Batas Pambansa Blg. 129 as amended by this Act, shall be adjusted to Two hundred thousand pesos (P200,000.00). Five (5) years thereafter, such jurisdictional amounts shall be adjusted further to Three hundred thousand pesos (P300,000.00): Provided, however, That in the case of Metro Manila, the abovementioned jurisdictional amounts shall be adjusted after five (5) years from the effectivity of this Act to Four hundred thousand pesos (P400,000.00).
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> x x x x
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> SEC. 7. The provisions of this Act shall apply to all civil cases that have not yet reached the pretrial stage. However, by agreement of all the parties, civil cases cognizable by municipal and metropolitan courts by the provisions of this Act may be transferred from the Regional Trial Courts to the latter. The executive judge of the appropriate Regional Trial Court shall define the administrative procedure of transferring the cases affected by the redefinition of jurisdiction to the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts.

Pursuant to Section 5 above, the OCA declared in Circular No. 21-99[8] that the first adjustment in jurisdictional amount of first level courts outside of Metro Manila from P100,000.00 to P200,000.00 took effect on March 20, 1999. Meanwhile, the second adjustment from P200,000.00 to P300,000.00 became effective on February 22, 2004 in accordance with Circular No. 65-2004 issued by the OCA on May 13, 2004.

It should be noted that the foregoing OCA circulars were issued to establish a definite reckoning date for the effectivity of the increased jurisdictional amounts for the general guidance of the bench and bar. The issuances were necessary for the orderly transfer of cases affected by Section 5 in relation to Section 7 of RA 7691. In other words, the OCA circulars were issued for purely administrative and procedural purposes. The issuances were not meant to affect the jurisdiction of first level courts in any substantive sense and were issued merely for the proper technical implementation of RA 7691.

The intent of RA 7691 was to expand the jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts by amending the pertinent provisions of BP 129 or the Judiciary Reorganization Act of 1980. Under Section 5 of the said law, the increase in jurisdictional amount for all kinds of claims before first level courts outside of Metro Manila was to be implemented in a staggered basis over a period of 10 years. The first adjustment was to take place five years after the effectivity of the law. The second and final adjustment, on the other hand, would be made five years thereafter.

Considering the foregoing rationale behind the issuance of the OCA circulars vis-á-vis the main purpose of RA 7691, we find no compelling reason to discuss whether the OCA committed a mistake in the computation of the

five-year periods for making the corresponding adjustments in jurisdictional amounts. Any error committed by the OCA, if any, would have no material consequence to the substantive rights of the parties and should at most be treated as an innocuous mistake that will not detract from the intent of RA 7691. To resolve the question of whether the OCA made an erroneous computation of the five-year periods would be a purely academic exercise that will have no practical significance. It will only unnecessarily disrupt the administration of justice and unsettle many claims that have been filed based on the declared effectivity dates.

In this connection, it must be pointed out that regardless of whether or not we adopt the computation espoused by petitioner, the fact remains that, as of this time, the jurisdiction of the MTCC has been expanded to include claims not exceeding P300,000.00 under Section 5, RA 7691. Pursuant to Section 7 of the same law, the adjustment applies to cases pending before the RTC that have not yet reached the pre-trial stage which, pursuant to the same provision, shall be transferred to the first level courts. If respondent's complaint were thus filed before the RTC instead of the MTCC, it would have been transferred by now to the latter court pursuant to Section 7 of RA 7691.

We also note that respondent filed his complaint for recovery of a sum of money before the MTCC on March 24, 2004, relying completely on OCA Circular No. 65-2004 which declared the second adjustment to be effective on February 22, 2004. Since respondent cannot be faulted for any perceived error in the computation of the five-year periods, it would certainly be unjust for us to order the dismissal of the complaint when respondent filed the same based on the said circular. Consequently, any inaccuracy in the computation of the periods should not prejudice respondent's cause, especially since the alleged mistake does not appear to have any deleterious consequence on petitioner.

All told, the main issue raised by petitioner in the instant case is moot and does not deserve consideration by this Court. In fact, the OCA circulars have outlived their useful purpose and have become functus oficio,[9] considering that the bench and bar have followed and been guided by its terms. It does not appear that the issue of whether or not the computation of the period was erroneous involves any substantive right of the parties or is of transcendental importance to the public. Neither did the circulars, as implementing directives, transgress in any significant way the provisions and main intent of RA 7691.

WHEREFORE, the instant petition is DENIED for lack of merit. The MTCC of San Jose City, Branch 1, is hereby ORDERED to try and decide Civil Case No. 3706 with dispatch.

SO ORDERED.

Austria-Martinez, Chico-Nazario, and Nachura, JJ., concur.

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[1] Rollo, pp. 19-21. Penned by Judge Joselito Cruz Villarosa.

[2] Records, pp. 11-14.

[3] Rollo, pp. 28-29.

[4] Id. at 41-45.

[5] Id. at 22.

[6] Id. at 7-8.

[7] China Banking Corporation v. Mondragon International Philippines, Inc., G.R. No. 164798, November 17, 2005, 475 SCRA 332, 337.

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[8] Dated April 15, 1999.

[9] See Ticzon v. Video Post Manila, Inc., G.R. No. 136342, June 15, 2000, 333 SCRA 472, 483.

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