

IRENE SANTE AND REYNALDO SANTE, PETITIONERS, VS. HON. EDILBERTO T. CLARAVALL, IN HIS CAPACITY AS PRESIDING JUDGE OF BRANCH 60, REGIONAL TRIAL COURT OF BAGUIO CITY, AND VITA N. K...

G.R. No. 173915. February 22, 2010

Ponente: VILLARAMA, JR., J.

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VILLARAMA, JR., J.:

Before this Court is a petition for certiorari [1] under Rule 65 of the 1997 Rules of Civil Procedure, as amended, filed by petitioners Irene and Reynaldo Sante assailing the Decision [2] dated January 31, 2006 and the Resolution [3] dated June 23, 2006 of the Seventeenth Division of the Court of Appeals in CA-G.R. SP No. 87563. The assailed decision affirmed the orders of the Regional Trial Court (RTC) of Baguio City, Branch 60, denying their motion to dismiss the complaint for damages filed by respondent Vita Kalashian against them.

The facts, culled from the records, are as follows:

On April 5, 2004, respondent filed before the RTC of Baguio City a complaint for damages [4] against petitioners. In her complaint, docketed as Civil Case No. 5794-R, respondent alleged that while she was inside the Police Station of Natividad, Pangasinan, and in the presence of other persons and police officers, petitioner Irene Sante uttered words, which when translated in English are as follows, "How many rounds of sex did you have last night with your boss, Bert? You fuckin' bitch!" Bert refers to Albert Gacusan, respondent's friend and one (1) of her hired personal security guards detained at the said station and who is a suspect in the killing of petitioners' close relative. Petitioners also allegedly went around Natividad, Pangasinan telling people that she is protecting and cuddling the suspects in the aforesaid killing. Thus, respondent prayed that petitioners be held liable to pay moral damages in the amount of P300,000.00; P50,000.00 as exemplary damages; P50,000.00 attorney's fees; P20,000.00 litigation expenses; and costs of suit.

Petitioners filed a Motion to Dismiss [5] on the ground that it was the Municipal Trial Court in Cities (MTCC) and not the RTC of Baguio, that had jurisdiction over the case. They argued that the amount of the claim for moral damages was not more than the jurisdictional amount of P300,000.00, because the claim for exemplary damages should be excluded in computing the total claim.

On June 24, 2004, [6] the trial court denied the motion to dismiss citing our ruling in *Movers-Baseco Integrated Port Services, Inc. v. Cyborg Leasing Corporation*. [7] The trial court held that the total claim of respondent amounted to P420,000.00 which was above the jurisdictional amount for MTCCs outside Metro Manila. The trial court also later issued Orders on July 7, 2004 [8] and July 19, 2004, [9] respectively reiterating its denial of the motion to dismiss and denying petitioners' motion for reconsideration.

Aggrieved, petitioners filed on August 2, 2004, a Petition for Certiorari and Prohibition, [10] docketed as CA-G.R. SP No. 85465, before the Court of Appeals. Meanwhile, on July 14, 2004, respondent and her husband

filed an Amended Complaint [11] increasing the claim for moral damages from P300,000.00 to P1,000,000.00. Petitioners filed a Motion to Dismiss with Answer Ad Cautelam and Counterclaim, but the trial court denied their motion in an Order [12] dated September 17, 2004.

Hence, petitioners again filed a Petition for Certiorari and Prohibition [13] before the Court of Appeals, docketed as CA-G.R. SP No. 87563, claiming that the trial court committed grave abuse of discretion in allowing the amendment of the complaint to increase the amount of moral damages from P300,000.00 to P1,000,000.00. The case was raffled to the Seventeenth Division of the Court of Appeals.

On January 23, 2006, the Court of Appeals, Seventh Division, promulgated a decision in CA-G.R. SP No. 85465, as follows:

WHEREFORE, finding grave abuse of discretion on the part of [the] Regional Trial Court of Baguio, Branch 60, in rendering the assailed Orders dated June 24, 2004 and July [19], 2004 in Civil Case No. 5794-R the instant petition for certiorari is GRANTED. The assailed Orders are hereby ANNULLED and SET ASIDE. Civil Case No. 5794-R for damages is ordered DISMISSED for lack of jurisdiction.

SO ORDERED. [14]

The Court of Appeals held that the case clearly falls under the jurisdiction of the MTCC as the allegations show that plaintiff was seeking to recover moral damages in the amount of P300,000.00, which amount was well within the jurisdictional amount of the MTCC. The Court of Appeals added that the totality of claim rule used for determining which court had jurisdiction could not be applied to the instant case because plaintiff's claim for exemplary damages was not a separate and distinct cause of action from her claim of moral damages, but merely incidental to it. Thus, the prayer for exemplary damages should be excluded in computing the total amount of the claim.

On January 31, 2006, the Court of Appeals, this time in CA-G.R. SP No. 87563, rendered a decision affirming the September 17, 2004 Order of the RTC denying petitioners' Motion to Dismiss Ad Cautelam. In the said decision, the appellate court held that the total or aggregate amount demanded in the complaint constitutes the basis of jurisdiction. The Court of Appeals did not find merit in petitioners' posture that the claims for exemplary damages and attorney's fees are merely incidental to the main cause and should not be included in the computation of the total claim.

The Court of Appeals additionally ruled that respondent can amend her complaint by increasing the amount of moral damages from P300,000.00 to P1,000,000.00, on the ground that the trial court has jurisdiction over the original complaint and respondent is entitled to amend her complaint as a matter of right under the Rules.

Unable to accept the decision, petitioners are now before us raising the following issues:

I.

WHETHER OR NOT THERE WAS GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION ON THE PART OF THE (FORMER) SEVENTEENTH DIVISION OF THE HONORABLE COURT OF APPEALS WHEN IT RESOLVED THAT THE REGIONAL TRIAL COURT OF BAGUIO CITY BRANCH 60 HAS JURISDICTION OVER THE SUBJECT MATTER OF THE CASE FOR DAMAGES AMOUNTING TO P300,000.00;

II.

WHETHER OR NOT THERE WAS GRAVE ABUSE OF DISCRETION ON THE PART OF THE HONORABLE RESPONDENT JUDGE OF THE REGIONAL TRIAL COURT OF BAGUIO BRANCH 60 FOR ALLOWING THE COMPLAINANT TO AMEND THE COMPLAINT (INCREASING THE AMOUNT

OF DAMAGES TO 1,000,000.00 TO CONFER JURISDICTION OVER THE SUBJECT MATTER OF THE CASE DESPITE THE PENDENCY OF A PETITION FOR CERTIORARI FILED AT THE COURT OF APPEALS, SEVENTH DIVISION, DOCKETED AS CA G.R. NO. 85465. [15]

In essence, the basic issues for our resolution are:

- 1) Did the RTC acquire jurisdiction over the case? and
- 2) Did the RTC commit grave abuse of discretion in allowing the amendment of the complaint?

Petitioners insist that the complaint falls under the exclusive jurisdiction of the MTCC. They maintain that the claim for moral damages, in the amount of P300,000.00 in the original complaint, is the main action. The exemplary damages being discretionary should not be included in the computation of the jurisdictional amount. And having no jurisdiction over the subject matter of the case, the RTC acted with grave abuse of discretion when it allowed the amendment of the complaint to increase the claim for moral damages in order to confer jurisdiction.

In her Comment, [16] respondent averred that the nature of her complaint is for recovery of damages. As such, the totality of the claim for damages, including the exemplary damages as well as the other damages alleged and prayed in the complaint, such as attorney's fees and litigation expenses, should be included in determining jurisdiction. The total claim being P420,000.00, the RTC has jurisdiction over the complaint.

We deny the petition, which although denominated as a petition for certiorari, we treat as a petition for review on certiorari under Rule 45 in view of the issues raised.

Section 19(8) of Batas Pambansa Blg. 129, [17] as amended by Republic Act No. 7691, [18] states:

SEC. 19. Jurisdiction in civil cases. - Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x x

(8) In all other cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs or the value of the property in controversy exceeds One hundred thousand pesos (P100,000.00) or, in such other cases in Metro Manila, where the demand, exclusive of the abovementioned items exceeds Two hundred thousand pesos (P200,000.00).

Section 5 of Rep. Act No. 7691 further provides:

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).

Relatedly, Supreme Court Circular No. 21-99 was issued declaring 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 OCA Circular No. 65-2004 issued by the Office of the Court Administrator on May 13, 2004.

Based on the foregoing, there is no question that at the time of the filing of the complaint on April 5, 2004, the MTCC's jurisdictional amount has been adjusted to P300,000.00.

But where damages is the main cause of action, should the amount of moral damages prayed for in the complaint

be the sole basis for determining which court has jurisdiction or should the total amount of all the damages claimed regardless of kind and nature, such as exemplary damages, nominal damages, and attorney's fees, etc., be used?

In this regard, Administrative Circular No. 09-94 [19] is instructive:

X X X X

2. The exclusion of the term "damages of whatever kind" in determining the jurisdictional amount under Section 19 (8) and Section 33 (1) of B.P. Blg. 129, as amended by R.A. No. 7691, applies to cases where the damages are merely incidental to or a consequence of the main cause of action. However, in cases where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court. (Emphasis ours.)

In the instant case, the complaint filed in Civil Case No. 5794-R is for the recovery of damages for the alleged malicious acts of petitioners. The complaint principally sought an award of moral and exemplary damages, as well as attorney's fees and litigation expenses, for the alleged shame and injury suffered by respondent by reason of petitioners' utterance while they were at a police station in Pangasinan. It is settled that jurisdiction is conferred by law based on the facts alleged in the complaints since the latter comprises a concise statement of the ultimate facts constituting the plaintiff's causes of action. [20] It is clear, based on the allegations of the complaint, that respondent's main action is for damages. Hence, the other forms of damages being claimed by respondent, e.g., exemplary damages, attorney's fees and litigation expenses, are not merely incidental to or consequences of the main action but constitute the primary relief prayed for in the complaint.

In *Mendoza v. Soriano*, [21] it was held that in cases where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court. In the said case, the respondent's claim of P929,000.06 in damages and P25,000 attorney's fees plus P500 per court appearance was held to represent the monetary equivalent for compensation of the alleged injury. The Court therein held that the total amount of monetary claims including the claims for damages was the basis to determine the jurisdictional amount.

Also, in *Iniego v. Purganan*, [22] the Court has held:

The amount of damages claimed is within the jurisdiction of the RTC, since it is the claim for all kinds of damages that is the basis of determining the jurisdiction of courts, whether the claims for damages arise from the same or from different causes of action.

X X X X

Considering that the total amount of damages claimed was P420,000.00, the Court of Appeals was correct in ruling that the RTC had jurisdiction over the case.

Lastly, we find no error, much less grave abuse of discretion, on the part of the Court of Appeals in affirming the RTC's order allowing the amendment of the original complaint from P300,000.00 to P1,000,000.00 despite the pendency of a petition for certiorari filed before the Court of Appeals. While it is a basic jurisprudential principle that an amendment cannot be allowed when the court has no jurisdiction over the original complaint and the purpose of the amendment is to confer jurisdiction on the court, [23] here, the RTC clearly had jurisdiction over the original complaint and amendment of the complaint was then still a matter of right. [24]

WHEREFORE, the petition is DENIED, for lack of merit. The Decision and Resolution of the Court of Appeals dated January 31, 2006 and June 23, 2006, respectively, are AFFIRMED. The Regional Trial Court of Baguio City, Branch 60 is DIRECTED to continue with the trial proceedings in Civil Case No. 5794-R with deliberate

dispatch.

No costs.

SO ORDERED.

Puno, C.J., (Chairperson), Carpio Morales, Leonardo-De Castro, and Bersamin, JJ., concur.

[1] Rollo, pp. 3-19.

[2] Id. at 96-103. Penned by Associate Justice Josefina Guevara-Salonga, with Associate Justices Fernanda Lampas Peralta and Sesinando E. Villon concurring.

[3] Id. at 21-22.

[4] Id. at 23-27.

[5] Id. at 29-31.

[6] Id. at 32-33.

[7] G.R. No. 131755, October 25, 1999, 317 SCRA 327.

[8] Rollo, p. 36.

[9] Id. at 37.

[10] Id. at 38-44.

[11] Id. at 76-80.

[12] Id. at 82.

[13] Id. at 45-53.

[14] Id. at 93.

[15] Id. at 10.

[16] Id. at 245-252.

[17] Also known as "The Judiciary Reorganization Act of 1980."

[18] An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, Amending for the Purpose Batas Pambansa Blg. 129, Otherwise Known as the "Judiciary Reorganization Act of 1980."

[19] Guidelines in the Implementation of Republic Act No. 7691.

[20] *Nocum v. Tan*, G.R. No. 145022, September 23, 2005, 470 SCRA 639, 644-645.

[21] G.R. No. 164012, June 8, 2007, 524 SCRA 260, 266-267.

[22] G.R. No. 166876, March 24, 2006, 485 SCRA 394, 402.

[23] *Siasoco v. Court of Appeals*, G.R. No. 132753, February 15, 1999, 303 SCRA 186, 196.

[24] Sec. 2, RULE 10, RULES OF COURT.

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